Daily Report

Latin America

FBIS-LAT-89-109
Thursday
8 June 1989

Daily Report
Latin America

FBIS-LAT-89-109 *8 June 1989*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

CARIBBEAN

Cuba

Havana Cites Chinese Foreign Ministry Statement *[Havana Radio]* 1
PRC Foreign Minister Arrives in Havana *[Havana Radio]* 1
Official Talks Begin *[Havana Radio]* 1
First Day of Visit Reviewed *[Havana TV]* 1
PRC Government Arrests 'Counterrevolutionaries' *[Havana TV]* 1
Castro Sends Gorbachev Condolence Message *[Havana TV]* 2
Signs Condolence Book *[Havana TV]* 2
Fishing Ship Collides With Soviet Trawler *[Havana Radio]* 2
Commentary Says Nation Most Stable in Continent *[Havana Radio]* 2
150 Internationalists Arrive From Angola *[Havana Radio]* 3
UNEAC Condemns Anti-Cuban Television Channel *[Havana TV]* 3
Raul Castro Presides Over MININT Ceremony *[Havana TV]* 3
Interior Minister Speaks *[Havana TV]* 3
Culture Minister at Writers, Artists Meeting *[Havana TV]* 3
Athletic Representatives Meet in Havana *[Havana Radio]* 4

Bahamas

Foreign Minister Rebuts Drug, Corruption Charges *[CANA]* 4

Barbados

Politicians on Caribbean Broadcasting Resignations *[CANA]* 4
News Agency Announces New Appointments *[CANA]* 5

Grenada

Mitchell Calls for Party To Bury Differences *[CANA]* 6
Maurice Bishop Movement on Conflict in Government *[CANA]* 6

Haiti

Organization Expresses Support for Coming Strike *[Port-au-Prince Radio]* 6
Ministers 'Deplore' Strike *[Port-au-Prince Radio]* 6
Konakom Comments on Insecurity in Nation *[Port-au-Prince Radio]* 7
Electoral Council Issues 'Progress Report' *[L'UNION 24 May]* 8
Radio Soleil Administration's Decisions Protested *[Port-au-Prince Radio]* 10
Radio Soleil Reviews Weekend Press Issues *[Port-au-Prince Radio]* 10
New Political Party Established in Carrefour *[LE MATIN 3 Jun]* 10

Montserrat

OECS, FRG To Discuss Radio Antilles Future *[CANA]* 10

Trinidad and Tobago

Panamanian Team Discusses U.S. Intervention *[CANA]* 11
Government Passes Extended Loan Bill *[CANA]* 11

MEXICO

Government Denounces Recent Incidents in PRC *[Mexico City TV]* 13
* Puebla Town's Revenues Rise Under PAN *[LA NACION 15 Mar]* 13

CENTRAL AMERICA

Costa Rica

President Arias Criticizes PRC Government *[San Jose Radio]* 16
Arias Urges More Electoral Reform in Nicaragua *[San Jose Radio]* 16
Madrigal Denounces Noriega 'Election Fraud' *[Buenos Aires REUTER]* 16

El Salvador

Assembly President on Talks With FMLN *[San Salvador TV]* 17
Archbishop Defends Church's Role as Mediator *[ACAN]* 17
FMLN Reports New 'Nationwide Maneuvers' *[Radio Venceremos]* 18
Alleged FMLN Members Set Fire to ANTEL Office *[San Salvador TV]* 18
Coffee Mill Attacked, Power Lines Sabotaged *[San Salvador TV]* 19

Guatemala

Cerezo Comments on Cristiani Proposal to FMLN *[EL GRAFICO 4 Jun]* 19
* Foreign Exchange Shortage Affects Reactivation *[LA HORA 25 Apr]* 19
* Central Bank Study Analyzes 1988-89 Economy *[LA HORA 25 Apr]* 20

Honduras

Electricity Supply To Panama To Continue *[TIEMPO 7 Jun]* 23

Nicaragua

D'Escoto Addresses OAS Meeting on Panama *[Managua Radio]* 23
Bayardo Arce Meets Jamaican Prime Minister *[BARRICADA 31 May]* 24
Borge Interviewed by Budapest Newspaper *[Budapest NEPSZABADSAG 2 Jun]* 24
Cordoba Devalued at Highest Rate in 3 Months *[Hamburg DPA]* 25
Ortega Vows To Continue Giving Land *[Managua Radio]* 25
PSC, PLIUN Cause Rift in Opposition Alliance *[Managua Radio]* 26
Withdraw From Alliance *[Managua TV]* 26
4 Opposition Parties Legalized; 1 Denied *[Managua TV]* 26
Conservative Aguero Rocha Returns From Exile *[Managua Radio]* 26
List of CSE Candidates Sent by Presidency *[Managua Radio]* 27
EPS Reports 90 Contra Casualties in May *[Managua TV]* 27
Contra Leader Killed in Clash With Army *[EL NUEVO DIARIO 1 Jun]* 27
Teachers Storm Radio Station in Leon *[Managua Radio]* 28

Panama

Solis Palma To Visit Havana Possibly 9 Jun *[ACAN]* 28
Soviet Diplomat Visits, Discusses Trade *[Panama City Radio]* 28
Visits Health Minister *[Panama City TV]* 28
Foreign Minister Ritter Addresses OAS *[Panama City Radio]* 29
Delvalle Sends Letter to OAS on Noriega *[Madrid EFE]* 30
Ford 'Extremely Disappointed' at OAS Extension *[ACAN]* 30
PDT President on Junta, PRD 'Problems' *[Panama City TV]* 30
PRD Legislators Discuss Political Situation *[Panama City Radio]* 31
McGrath on Measures Against Critics *[Panama City TV]* 31
Columnist Says Church 'Biased' for Opposition *[CRITICA 6 Jun]* 32
PRD Leader on Cancellation of Noriega Dinner *[Panama City TV]* 32
Endara's Wife Dies of Heart Attack 6 June *[LA ESTRELLA DE PANAMA 7 Jun]* 33
CONEP Postpones Dinner for Endara *[LA ESTRELLA DE PANAMA 7 Jun]* 33
New Panama Province Governor Appointed *[CRITICA 6 Jun]* 33

SOUTH AMERICA

Argentina

Minister-Designate on Menem's Early Inauguration *[Buenos Aires Radio]* 34
Interior Minister Bans 9 June Protest March *[TELAM]* 34
Menem Designates Triaca as Future Labor Minister *[TELAM]* 35
Future Minister Wants Debt Reclassification *[NOTICIAS ARGENTINAS]* 35

Government Increases Bus Fares 35 Percent *[NOTICIAS ARGENTINAS]* 32
27 Percent Fuel Price Hikes Announced *[DYN]* 35
Consumer Price Index Jumps 78.5 Percent in May *[Buenos Aires Radio]* 35

Bolivia

ADN Does Not Discard Coalition Government *[PRESENCIA 3 Jun]* 35
MIR Proposes National Unity Government *[TELAM]* 36
Defense Minister Denies Shining Path Activities *[La Paz Radio]* 36
Plane Lands in Havana Due to Bomb Threat *[Madrid EFE]* 37
Coca Growing Reported in National Park *[PRESENCIA 3 Jun]* 37
Minister Says Coca Eradication To Start *[La Paz Radio]* 37
Coca Growers Oppose Plan *[La Paz Radio]* 37
January-May Accumulated Inflation Reported *[PRESENCIA 3 Jun]* 37

Brazil

Official Rejects Rumors of Debt Moratorium *[Brasilia Radio]* 38
Portuguese Minister Seeks 'Joint Ventures' *[O GLOBO 7 Jun]* 38
Computer Technology Secretary Defends Measures *[Brasilia Radio]* 38
Communications Minister Undergoes Medical Tests *[Brasilia Radio]* 38
* Historian on Current Political Instability *[O ESTADO DE SAO PAULO 7 May]* 38
* Population in 2000 To Be Lower Than Projected *[O ESTADO DE SAO PAULO 7 May]* 39

Chile

PCCh Calls FPMR Members To Return to Party *[EL MERCURIO 30 May]* 40
Sergio Jarpa To Be Presidential Candidate *[Santiago Radio]* 41
Party Vice President Jorge Arturo Prat Resigns *[LA TERCERA DE LA HORA 1 Jun]* 41
FPMR Linkage to Arms Cache Case Reported *[EL MERCURIO 27 May]* 41
Presumed Terrorists Arrested in Vina del Mar *[EL MERCURIO 27 May]* 42
People Dressed as Guerrillas Reported in Santiago *[EL MERCURIO 27 May]* 42
Central Bank Devalues Peso, Raises Interest Rate *[Santiago Radio]* 42
Nearly 200 Cases of AIDS Confirmed *[LA TERCERA DE LA HORA 30 May]* 42

Peru

4 Bomb Explosions Damage Government Offices *[Madrid EFE]* 42

Uruguay

Labor Minister Brezo Paredes Installed *[Montevideo Radio]* 43
Official Says Exports Reach 'Record' Figure *[Madrid EFE]* 43

Venezuela

Debt Negotiators Note Accomplishments *[Caracas TV]* 43
Ramon Escobar Appointed Attorney General *[Caracas TV]* 44

Guyana

Paris Club Provides 'Exceptional' Debt Relief *[CANA]* 44

Suriname

Plane Crashes Near Paramaribo; 179 On Board *[Havana Radio]* 44
120 Reportedly Killed *[AFP]* 44
13 Survivors Reported *[AFP]* 44
3 Military Leaders Killed *[Paramaribo International]* 45
Army Said 'Blackmailing' Government for Weapons *[Paramaribo International]* 45
Trade Unions Respond To Military *[Paramaribo International]* 45
Amendments Approved on Economic Offenses Law *[Paramaribo International]* 45

Cuba

Havana Cites Chinese Foreign Ministry Statement

FL0706164889 Havana Radio Progreso Network in Spanish 1100 GMT 7 Jun 89

[Text] The Chinese Ministry of Foreign Relations has just termed as totally unacceptable the U.S. intervention in the internal affairs of the Asian country. The ministry stated, textually:

My government considers it totally unacceptable for the United States to criticize the internal affairs of China, to take measures that affect bilateral relations, and to try to pressure the government of Beijing. Current Chinese events, says the ministry, only concern China whose government has the power and the right to put an end to the chaos.

The declaration literally emphasizes: We hope that no country which maintains friendly relations with China intervenes in our affairs. All attempts to put pressures on our government would be indiscreet and myopic.

PRC Foreign Minister Arrives in Havana

FL0706175089 Havana Radio Rebelde Network in Spanish 1700 GMT 7 Jun 89

[Text] PRC Foreign Minister Qian Qichen arrived a few moments ago in our country from Ecuador [as heard], thus beginning an official and friendly visit. He was welcomed at the Jose Marti International Airport by our Foreign Minister Isidoro Malmierca, Foreign Vice Minister Giraldo Mazola, and Chinese Ambassador to Cuba Tang Yonggui. Minutes after his arrival, in statements made for this newscast, the Chinese minister said:

[Begin Qian Qichen recording, in Spanish] It is especially pleasant for me to make this visit to Cuba. It is the first time I make this trip to Cuba, and it is also the first time that a Chinese foreign minister makes such a trip. Early this year, Comrade Isidoro Malmierca of Cuba visited China and we held excellent conversations. I am convinced that during my current visit we will be able to exchange opinions about our bilateral relations and about the international situation and matters which interest us equally. This will be done in such a way that our relations will be further promoted so that they enter a new phase of development. [end recording]

Official Talks Begin

FL0706224089 Havana Radio Rebelde Network in Spanish 2233 GMT 7 Jun 89

[Text] This afternoon in Havana, the foreign ministers of the PRC, Qian Qichen, and Cuba, Isidoro Malmierca, initiated official talks at the Foreign Ministry headquarters. During the meeting, the officials will review increasing bilateral relations, examine mechanisms to strengthen them, and study criteria on the complex international situation.

First Day of Visit Reviewed

FL0806010489 Havana Television Service in Spanish 0006 GMT 8 Jun 89

[Text] The PRC foreign minister, Qian Qichen, arrived today in Cuba for an official, friendly visit. The Chinese foreign minister arrived from Mexico, after realizing a technical stopover, after spending several days in Ecuador.

At the base of the ladder that was placed at the plane that brought him to our country, the Chinese official was greeted by Isidoro Malmierca, Cuban foreign minister, and by the ambassador of the Asian country, Tang Yonggui.

Officials from Cuba's Foreign Ministry and members of the PRC Embassy in Havana also greeted the high-ranking delegation which is visiting us. Qian Qichen said that he was happy to be the first PRC foreign minister to visit Cuba since diplomatic relations were established between both countries. I take this opportunity, he said, to give my most cordial greetings and esteem to the Cuban people. He also said that he hopes his visit will further cooperation and friendship relations between our nation and the PRC.

For his part, Foreign Minister Malmierca foresees a good outcome from the visit.

[Begin Malmierca recording] I am sure, I repeat to you, that his visit will give us many opportunities to achieve an exchange of our evaluations on the present international situation and the common search for the most adequate paths to strengthen bilateral relations. [end recording]

After a brief break, both nations' delegations, headed by their respective foreign ministers, began official talks.

During his stay in Cuba, the PRC foreign minister will visit centers of economic, cultural, and recreational interest.

PRC Government Arrests 'Counterrevolutionaries'

FL0806015989 Havana Television Service in Spanish 0000 GMT 8 Jun 89

[Text] Chinese authorities have reported the arrest of several people who are accused of destroying public property near the military museum which is located on the western side of Tiananmen Square.

The report calls those people counterrevolutionaries and thanks the citizens for the cooperation it said they gave in the apprehension of these elements.

News reports indicate that the Chinese capital is under great tension characterized by shooting, burning of vehicles, and an exodus of foreigners, especially U.S. citizens and West Europeans. According to press reports, Beijing looks almost deserted due to the lack of transportation and because many of the main streets are blocked.

Today, the Chinese Ministry of Foreign Relations criticized U.S. President George Bush for the action he took a few days ago in suspending both arms exports to China and bilateral contacts between military personnel of both nations using the argument of the Army's actions against the demonstrators.

The Ministry of Foreign Relations declaration stresses that the U.S. leader's actions are absolutely unacceptable because the events are of internal character and there is no room for foreign intervention.

Castro Sends Gorbachev Condolence Message

FL0706125089 Havana Tele-Rebelde Network in Spanish 1100 GMT 7 Jun 89

[Text] Commander in Chief Fidel Castro Ruz has sent a condolence message to Soviet leader Mikhail Gorbachev which reads textually:

Comrade Mikhail S. Gorbachev, general secretary of the CPSU Central Committee and chairman of the Supreme Soviet Presidium.

Dear Comrade Gorbachev,

It is with deep sympathy that we were informed about the disaster which occurred on the eve of 3 to 4 June in Bashkiria as a result of which there are hundreds of victims, injured, and missing—among them students who were going to enjoy their vacations in the southern part of the country. During these moments of deep grief and national mourning, our party, government, and people address you and the entire Soviet nation to express our deepest condolences, as well as our wishes for a prompt recovery for those injured in this tragedy. I ask that you convey to the victims' relatives the solidarity of the entire Cuban people, its party, and government.

Revolutionarily, Fidel Castro Ruz, first secretary of the Communist Party of Cuba Central Committee and president of the Councils of State and Ministers of the Republic of Cuba.

Signs Condolence Book

FL0706131689 Havana Tele-Rebelde Network in Spanish 1100 GMT 7 Jun 89

[Text] Fidel Castro Ruz, president of the Communist Party of Cuba Central Committee, visited yesterday afternoon the Soviet Embassy to sign the condolence book that was opened due to the tragic gas pipeline explosion which occurred in the Ural Mountains. Fidel was received by Ambassador Yuriy V. Petrov and other officials.

Shortly after his arrival, the commander in chief placed a phone call to the director of the Genetic Engineering and Biotechnology Institute, Dr Manuel Limonta, to see what our country's availability of the epidermic growth factor product is so as to send it as aid to the victims of the disaster in the USSR. The product makes possible the regeneration of skin and cures burns which affect over 50 percent of the body.

Fishing Ship Collides With Soviet Trawler

FL0706164989 Havana Radio Reloj Network in Spanish 1615 GMT 7 Jun 89

[Text] The Soviet refrigerator trawler "Perlamutr" today collided in the Atlantic Ocean with the Cuban fishing ship, "Rio Damuji." No casualties were reported on either ship.

Due to the collision, three cabins, part of the superstructure, the upper deck, and one side above the waterline on the Soviet ship were destroyed. The Soviet ship, which was working south of the Nova Scotia Peninsula, was traveling at night through heavy fog with its net spread out. The "Rio Damuji" did not react to the acoustical signals transmitted by the Soviet ship and collided with the Soviet ship's starboard side.

The cause of the accident is being investigated and our radio station, Radio Reloj, is attempting to establish contact with the Cuban fishing fleet so that it can further report on this collision in the Atlantic Ocean in future newscasts. There were no casualties in the accident.

Commentary Says Nation Most Stable in Continent

FL0706194089 Havana Radio Rebelde Network in Spanish 1700 GMT 7 Jun 89

[Station commentary]

[Text] During the past few weeks, television has been showing some public activities carried out by Comrade Fidel. This has enabled us to see some of the work that is being done in certain provinces. Fidel has visited social projects that are under construction and has inaugurated others. He has toured important economic centers, visited some that are under construction, and has talked a lot with the people.

The commander in chief has positively assessed what he has seen and heard, what is being done, and how it is being done. Fidel even told us that, today with less resources, the country is doing more than ever. What we have seen here is nothing more than the living process of rectification. That is to say, we are looking at its fruits.

When we understand that the progress we are making today is taking place in the midst of one of the most difficult socioeconomic times that the world has gone through, then we can say what we have been saying for some time now, that today Cuba is the most stable country in Latin America, speaking only at the level of a continent. We are a country with problems, and not few problems; however, we are a country without a crisis. This is truly a feat of our Revolution, its ability to find resources, its creativity, its coherence, and its strength.

We are not desperate for materials and our morale is solid and deep. That may be the reason for the exasperation of enemy campaigns. Maybe, this is the reason why full fledged mental beggars are today so concerned about Cuba's destiny, when in the past, when they really should have been concerned, they did not even know where we were located on the map!

150 Internationalists Arrive From Angola

FL0706154189 Havana Radio Progreso Network in Spanish 1100 GMT 7 Jun 89

[Text] Over 150 Cuban internationalist combatants returned last night to the fatherland from Angola. They were welcomed at the airport by Brigadier General Wilfredo Rosales Aliaga. There are now approximately 9,600 combatants that have returned to our country from the African nation.

UNEAC Condemns Anti-Cuban Television Channel

FL0806021589 Havana Television Service in Spanish 0000 GMT 8 Jun 89

[Text] The writers and artists of our nation have condemned the establishing of a television channel in U.S. territory directed against Cuba. Via a declaration, the artists and writers have called upon their U.S. colleagues to solicit their attention on this action against our nation.

The communique was released today during the National Council meeting of the National Union of Cuban Writers and Artists, UNEAC, which ended a few minutes ago at Havana's Karl Marx Theater.

Various subjects of the institution's internal life were discussed during the 2-day meeting which was presided over—today, during the final meeting—by Carlos Aldana Escalante, secretary of the Communist Party of Cuba Central Committee.

Raul Castro Presides Over MININT Ceremony

FL0706133589 Havana Tele-Rebelde Network in Spanish 1100 GMT 7 Jun 89

[Text] Army General Raul Castro Ruz, second secretary of the Communist Party of Cuba [PCC] Central Committee and minister of the Revolutionary Armed Forces, has presided over the main ceremony marking the 28th anniversary of the founding of the Ministry of Interior [MININT].

The ceremony was also attended by the minister of the interior, Division General Jose Abrantes; members of the Politburo, Secretariat, and of the Central Committee of the PCC; as well as by leaders of the state and government. On this 6 June, tribute was paid to the heroes and martyrs of that armed force which maintains the internal order in the country and which constitutes an invincible shield of the fatherland along with the glorious Armed Forces. On this anniversary, Army General Raul Castro Ruz decorated a group of officers of the Ministry of Interior with the Internationalist Combatant Medal and the Ernesto Che Guevara Order.

Prior to the ceremony, an exhibit on propaganda and dissemination was inaugurated by the Ministry of Interior.

Interior Minister Speaks

FL0706195989 Havana Tele-Rebelde Network in Spanish 1700 GMT 7 Jun 89

[Text] Army General Raul Castro Ruz, second secretary of the Central Committee of the Communist Party of Cuba [PCC], has presided over the main event marking the 28th anniversary of the founding of the Interior Ministry [MININT].

The event began with the inauguration of an exhibit on MININT propaganda and dissemination. The inauguration was also attended by Division General Jose Abrantes, interior minister; and members of the PCC Politburo, Central Committee, and state and government leaders. [Video shows Raul Castro and Jose Abrantes viewing the exhibit.]

On this 6 June [date as heard], tribute is paid to the heroes and martyrs of this armed body.

In his remarks to those present, the interior minister said that efforts in the area of domestic order to combat crime will remain a priority while we transform the causes of crime and antisocial behavior. This will continue to be our primary duty, he added. Abrantes later said:

[Begin recording] The enemy should not be mistaken. Our uniformed people are today concentrating on the momentum of the Mambisas attacks, the boldness of the Moncada assault, the offensive ability of the Rebel Army, the Cuito Cuanavale spirit of victory and they are at the command of the commander in chief and minister of the Revolutionary Armed Forces. [applause] [end recording]

Culture Minister at Writers, Artists Meeting

FL0706202289 Havana Tele-Rebelde Network in Spanish 1700 GMT 7 Jun 89

[Text] Armando Hart Davalos, member of the Politburo of the Communist Party of Cuba and culture minister, gave a special speech at the National Council meeting of the National Union of Cuban Writers and Artists [UNEAC], which will conclude today at Havana's Karl Marx Theater.

Hart recalled the meetings Commander in Chief Fidel Castro, president of the Councils of State and Ministers, held with top UNEAC leaders where they discussed the concerns the intellectuals expressed during their fourth congress.

The culture minister stressed the importance of culture which, if used intelligently, is fundamental in the nation's socioeconomic development. Hart added that art complements tourism.

Athletic Representatives Meet in Havana

FL0706204589 Havana Radio Reloj Network in Spanish 1935 GMT 7 Jun 89

[Text] With the purpose of reaching policies to obtain a higher level of efficiency and quality in the production of athletic products, an important meeting has begun in Havana with the participation of sector representatives from socialist countries.

At the first work meeting of the 18th Conference of Vice Presidents of Socialist Country Sports Organs, who are attending this branch of the sports industry, there are representatives from the USSR, Bulgaria, Hungary, and the CSSR, among others.

In the first meeting, the permanent commissions gave their reports. These commissions noted that there has been an appreciable advance in commercial exchange, as well as scientific-technical cooperation. One of the main points of the meeting will be dedicated to Cuba's report on security for the socialist country delegations to the 1991 Pan-American Games which will be held in our country.

Bahamas

Foreign Minister Rebuts Drug, Corruption Charges

FL0206220089 Bridgetown CANA in English 1923 GMT 2 Jun 89

[Text] Nassau, Bahamas, June 2, CANA—The Bahamas Government has challenged what it termed the "biased crusade" of Massachusetts senator, John Kerry "to discredit its efforts to fight drug trafficking and corruption."

Bahamas foriegn minister, Charles Carter, says even after Kerry's attempts to have the territory decertified from U.S. assistance because of its drug programme was defeated 57-40 by his colleagues, the senator continues to supply distorted and inaccurate information on the Bahamas to journals.

Carter was referring to a highly critical article on the Bahamas, published by the Washington-based think tank the Council on Hemispheric Affairs, in which, he said, Kerry was quoted extensively and his prespective is dominant.

The article, circulated to journalists, states that the Bahamas is providing only token cooperation in drug interdiction efforts. But according to a Bahamas Government statement, it fails to mention that U.S. ambassador to the Caribbean territory, Carol Boyd Hallett, in recommending certification, publicly stated that "the Bahamas does more to assist the United States in the war on drugs than any country in the world."

In response to allegations that few if any drug traffickers arrested in the Bahamas are convicted and jailed, Carter pointed out that in 1988, of the 1,277 drug arrests made in the Bahamas, 587 persons were convicted.

"Only 39 suspects were acquitted, six were not prosecuted, 63 had charges dismissed for insufficient evidence, 88 were discharged on technicalities but are subject to being recharged and 495 persons have trials still pending," the statement said.

"The Coho article falsely claims that the extradition of Bahamian lawyer, Nigel Bowe, indicted in the United States, "has been held up by his government," even though it is widely known that the extradition request is still pending before the privy council in London and that the United States Government is party to the proceeding," the statement goes on.

It says that the council also quotes from a report issued last month by Kerry, which "made several false allegations about the Bahamas, a report Senator Kerry's own subcommittee refused to endorse."

Foreign Minister Carter said the Government of the Bahamas has demonstrated for years its commitment to waging war on those who traffic in illegal narcotics, and as evidenced by President Bush's certificiation "and an overwhelming majority of the Senate's support of that recommendation, our commitment is recognised."

"It is becoming clear to us that Senator Kerry's repeated attacks on the Bahamas have less and less to do with the war on drugs and a lot to do with politics," Carter said.

"Facing his first Senate re-election bid next year, the junior senator from Massachusettes has already made truth the first casualty of his campaign," the Bahamian Government minister said.

Barbados

Politicians on Caribbean Broadcasting Resignations

FL0706160089 Bridgetown CANA in English 1645 GMT 6 Jun 89

[Text] Bridgetown, Barbados, June 6, CANA—Two senior journalists at the state-run Caribbean Broadcasting Corporation [CBC] have resigned with immediate effect, and a third is leaving at monthend, newspapers reported Tuesday.

The BARBADOS ADVOCATE quoted Board Chairman Dr Colin Hope as confirming the resignations of Director of News and Current Affairs Sharon Marshall and her assistant, Doug Hoyte. Relief editor Sandra Walters, like Marshall and Hoyte a prominent television anchor, was reported to have given the station one month's notice.

Papers said Hoyte received a letter of suspension after a news conference with Prime Minister Erskine Sandiford which had been inaccurately promoted as Sandiford's first. Ms Marshall had been accused of failing to control the news conference, one paper said.

The daily nation newspaper quoted opposition Barbados Labour Party [BLP] parliamentarian David Simmons, a former CBC chairman, as saying the treatment of Marshall and Hoyte was "scandalous in the extreme..."

"Barbadians should be concerned that some of the most experienced and professional broadcasters have been obliged to quit CBC precisely because of the atmosphere that pervades the corridors of CBC and militates against truly professional output," Simmons added.

Opposition leader Dr Richie Haynes of the National Democratic Party told the nation, "this is yet another in a series of disgraceful acts perpetrated at CBC and against the interests of the nation."

The BLP has said if it gains political power it will privatise CBC, which operates the island's lone television series and two radio stations. The party claims there is too much political control. Similar criticisms were made by the current democratic labour party administration when the BLP ran the government between 1976 and 1986.

News Agency Announces New Appointments
FL0706215489 Bridgetown CANA in English 1456 GMT 7 Jun 89

[Text] Bridgetown, Barbados, June 7, CANA—The Barbados-based Caribbean News Agency (CANA) today announced a series of staff appointments aimed at improving print and radio service output and facilitating proposed expansion plants.

Guyanese Miss Wendy Thompson was named as CANA's new director of radio services with effect from July 1. She will take over responsibility for CANA's radio output.

Miss Thompson, a former senior news and current affairs producer with CANA radio (1984-87), has just completed a two-year Master's Degree programme in communications at Florida State University in the United States. She gained her Bachelor of Science degree from Syracuse University in 1982.

Her appointment is one of seven announced by CANA, the 13-year-old Caribbean agency which provides comprehensive daily wire and radio news coverage to media houses in and outside of the region.

Trinidadian Gideon Hanoomansingh assumed duties May 15 as senior news and current affairs producer. Mr Hanoomansingh has 18 years experience in radio journalism and production. He came to CANA from NBS [National Broadcasting Service] radio 610 in Port-of-Spain, where he has worked since 1970. Mr Hanoomansingh has travelled extensively on assignment in the Caribbean, North America and Europe.

Also joining CANA radio from May 15 as a news and current affairs producer was former programme manager at the Guyana Broadcasting Corporation (GBC), Ulric Hetsberger. Well known as a news and documentary producer in Guyana, Hetsberger has been in broadcasting for the past 14 years, travelling in and outside the region on assignment.

Senior Antigua-born journalist Paget de Freitas was named as editor of CANA's forthcoming regional financial journal.

Mr De Freitas, who for the past eight years was CANA's resident correspondent in Jamaica, is a specialist in Third World financial and economic reporting. He will officially take up duties June 15 in Barbados.

Taking over from De Freitas in Kingston is Jamaican journalist Miss Julie Chen, who has covered the Jamaica beat since 1980.

Former CANA headquarters staffer Bertram Niles, a Barbadian, returns to the wire service Barbados desk July 1 as senior editor, with special responsibility for developing the agency's sports coverage.

Mr Niles, who has wide experience in news and sports, will complement new News Editor Trevor Yearwood, who has been with CANA since mid-1977. Mr Yearwood, a skilled writer, was promoted from the position of features editor.

CANA also announced the redesignaiton of Chief Editor Trevor Simpson as director of wire services and of Marketing Manager Carlton Proute as business manager, financial services.

CANA's General Manager Richard Henderson said that the appointments were part of the company's plans to "consolidate staff as a first step towards expansion and development of both the print and broadcast services."

Grenada

Mitchell Calls for Party To Bury Differences

FL0606160889 Bridgetown CANA in English 2216 GMT 4 Jun 89

[Text] St George's, Grenada, June 4, CANA—Political leader of the problem-plagued ruling New National Party [NNP] government in Grenada, Dr Keith Mitchell, told party supporters Sunday that he intends to assert himself more. He made the remarks against the backdrop of rising tension in the party between himself and his predecesor, Prime Minister Herbert Blaize. Mitchell deposed the 71-year-old Blaize in January in a fight for control of the party's leadership at its annual convention.

In a clear statement to opponents within the ruling party, Mitchell said that he won the race for the political leadership "in a free and fair fight with Herbert Blaize." He also advised Blaize that no office within the NNP was one of hereditary.

"There is no king of NNP. There is no king of Grenada, Carriacou, and Petit Martinique. There is no crown prince," he said. "The party can appoint and the party can disappoint. The party is not obliged to wait for the political leader to decide before effecting change," he added.

Mitchell, who holds the portfolio of public utilities, stated that in electing him as NNP leader the party members were indicating that, "my time has come to make my contribution." "I have accepted that," said the former professor at Howard University in the United States.

Mitchell made a plea for differences to be buried. "We must never allow personal differences to damage the party. We cannot put our personal interest before the interest of the party," he said.

Insiders within the NNP have named Deupty Prime Minister Ben Jones and Education Minister George McGuire as Mitchell's chief opponents. The NNP rally was preceded by an island-wide motorcade, staged as a show of support for Mitchell.

Maurice Bishop Movement on Conflict in Government

FL0706155989 Bridgetown CANA in English 1827 GMT 5 Jun 89

[Text] St George's, Grenada, June 5, CANA—The small left-wing Maurice Bishop Patriotic Movement [MBPM] has called on Grenadians to boot out the ruling New National Party [NNP] whenever general elections are held. The party in its official newspaper, "INDIES TIMES," said the ruling party should be discarded in light of an ongoing internal fight between Prime Minister Herbert Blaize and political leader Dr Keith Mitchell. It claimed that no matter what the New National Party did by the time elections were held, it had lost all credibility. Elections are constitutionally due to be held by March next year.

The MBPM said the ruling party now holds the banner of being "the worst government in Grenada's history..."

The party, which is led by medical doctor Terry Marryshow, said the time had come for a change. "There is no justification for Grenadians to grant them a second term in office whether under Blaize or Mitchell," it said. "What this country needs is national unity and reconciliation. What Grenadians need today is development and progress, social justice, and equality," it added.

Mitchell defeated Blaize in the election for party leader at the NNPS annual convention in January.

Haiti

Organization Expresses Support for Coming Strike

FL0706163589 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 6 Jun 89

[Text] Solidarity With a View to a Movement of Small Haitian Peasant Farmers fully supports the strike scheduled by the public transportation drivers for Wednesday and Thursday, 7-8 June. The demands the drivers are making of the government show the maturity of the popular organizations. They are not being taken in by all the maneuvering by the government which is aimed at diverting the Haitian people's minds from their demands.

Solidarity seizes this opportunity to announce that the important meeting that was to be held this week is hereby postponed, so that all Solidarity members may show their solidarity with the call for a strike.

Ministers 'Deplore' Strike

FL0706181889 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 7 Jun 89

[Text] In connection with this matter of an increase in the price of gasoline and the strike called for today and tomorrow, four ministers of General Prosper Avril's government have issued a joint communique. These ministers are Acedius Saint-Louis, colonel, Haitian Armed Forces, minister of interior and national defense; Yvon Cesar, minister of commerce and industry; Rosemarie Nazon, minister of information and coordination; and Leonce Thelusma, minister of economy and finance.

Here is what the four ministers say: The decree of 2 June 1989 creating a committee in charge of studying ways to prevent increases in the price of articles of prime necessity is proof of the government's willingness to seek a consensual solution to all Haiti's important problems. By rejecting all (?structures) for dialogue and methods for reaching a democratic consensus, certain sectors, which have a number of unavowed reasons for doing so,

are seeking to turn the increase in the price of petroleum products into an occasion for a movement—for disorder—detrimental to the national life.

By seeking to involve the Haitian people in a number of actions, the negative consequences of which the Haitian people themselves will be the first to suffer, these sectors are exhibiting scorn for the extreme poverty of the Haitian masses and taking advantage of their ignorance of this matter of prices on the international market.

The four ministers say they recall to mind, for the edification of all, that this international increase in the price of all petroleum products—this matter of gasoline and also [words indistinct] the percentage—does not affect only Haiti. Despite the economic difficulties the Haitian Government is currently confronting, it chose to relieve as much as possible the social groups that don't make a lot of money—by repressing increases in the price of the kerosene and gas oil that peasant families and almost all public transportation vehicles in Haiti use.

The ministers say: For all these reasons, the Haitian Government deplores the behavior of certain drivers unions, which have called for a public transportation strike.

The ministers denounce before the nation the equivocal—the suspicious and antisocial—nature of this call for a strike.

The ministers say: Once again, the Haitian Government appeals to the patriotism of all citizens, asking them to, fully aware and not allowing anyone to intimidate them, continue to go about their business as usual.

The ministers say the government is going to take the necessary measures to provide security for citizens and that the government is going to set up a transportation system for citizens.

This, then, is a joint communique from four ministers.

Konakom Comments on Insecurity in Nation
FL0706163789 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 6 Jun 89

[Excerpts] Konakom, which is the National Committee of the Congress of Democratic Movements, says that last week's strike—which was a call to a strike in the transport sector only, but which was supported by the civilian society in general—shows clearly that the population can no longer cope with the high cost of living. Konakom says: There is a cost of living problem because the government has no foresight and is not in the habit of planning. There is also a problem because there is widespread corruption within the public administration.

Konakom feels that the Avril government should not increase taxes in order to obtain money for the government coffers. This affects mostly people with small incomes, such as factory workers, small peasant farmers, low-ranking civil servants, public transportation vehicle drivers, soldiers, and others. The government has other means of countering monetary difficulties. It could, for example, eliminate the waste that occurs in the public administration and recover the great amount of money that Duvalier stole from the Haitian people.

Konakom publically asks the government to rescind its decision to raise gasoline prices. [passage omitted]

Regarding what General Avril said in his AFP interview about elections and the money he asked for so that elections could be held, Konakom thinks that for something as important as this—elections—Haitians inside Haiti must find resources inside Haiti. That is why there should be concerted action among the Provisional Electoral Council, the provisional government, and the political parties and groups, which represent the civilian society, so they can find the money necessary to hold elections in Haiti.

Let's look for these means here at home. International aid, should it come, should only be support. Konakom thinks it is high time we put an end to this vile, shameful practice of going begging, which degrades Haiti's dignity.

Also, Konakom rejects the idea of holding hasty elections, elections that might be organized without the people's participation. It also rejects the idea of postponing elections until an unspecified date on the pretext that the money requested from abroad has not come.

Regarding the climate of insecurity, Konakom says that insecurity is affecting all the social strata of Haitian society: peasants, people in residential neighborhoods, residents of densely populated areas, merchants, industrialists, professionals, and even members of the Armed Forces. This increasingly serious situation seems to indicate that the government is in over its head, so to speak. It has chosen to legalize security companies. However, this measure serves to protect only a small minority, which has lots of money with which to pay these companies for their services. Meanwhile, the majority of the population is left helpless.

Considering that the insecurity is a threat to the lives and property of everyone in all social strata in Haiti, Konakom asks the military government to commit most of the Army troops to a big national mobilization aimed at guaranteeing the security of citizens both day and night. Furthermore, the struggle against insecurity should be supported by the vigilance brigades that had been formed by the citizenry.

Konakom feels effective means are indispensable for reestablishing a climate of confidence in Haiti.

Electoral Council Issues 'Progress Report'

FL0706203889 Port-au-Prince L'UNION in Creole No 147, 24 May 89 p 5

[Progress report issued by the Permanent Electoral Council; date and place not given—report is published in Creole in the French-language newspaper L'UNION]

[Text] People of Haiti: the Provisional Council of the Permanent Electoral Council [KEP; Creole acronym] has been at work for a month now. And for a month, the KEP has also sent the press, at the end of each week, a report of all its activities, so that everyone would know what the KEP was doing—for the KEP wants the deck of cards shuffled in plain sight, without any cards falling under the table.

The KEP is working, is applying itself, in a situation that is difficult for everyone. We are working to get elections under way, to get the car's engine running, so to speak. It is not an easy car to steer. However, we are weighing the task carefully. We are studying the matter meticulously, turning it inside out, to see exactly what it entails. We are taking the time to do this because we wish to respect the custom of our wise Haitian elders, who teach us that: "Too much haste has never led to the sun's rising any more quickly anyway...Go ahead and walk slowly, but be sure you come bearing good news...Those who encourage you to buy a horse during the rainy season, when there is lots of grass available to feed it, never help you feed it during droughts."

In order for us to bring you good news—hold proper elections—the KEP has three intersections, so to speak, to get across, one after another.

I. The intersection consisting of intellectual work.

In this phase, the KEP has five documents that it is preparing to submit to the executive branch of the government for discussion—five basic documents necessary to set the KEP up properly as an institution.

1. The first document is the document on how the KEP, as an institution, is organized and operates—the KEP's organic law. This document constitutes the foundations and all the cornerstones of the Permanent Electoral Council. The KEP must be a solidly built structure. It has to be eternal. The people at its head will change, but the institution must remain, immutable. It constitutes a guarantee for the current generation of Haitians and for future generations so that we will not always have to start over from scratch.

We have weighed the importance of elections in giving our country a chance to emerge from the difficult situation it is currently in. We are working to have Haiti leap across the river, so to speak, and land on its feet. Our respect for the Haitian people does not allow us to rush to throw together just any old thing. We are working, without wasting time, to climb the stairway step by step. That is why the KEP is concentrating its efforts on the institution's organic law. The KEP must sit down together with the executive branch of the government to study the draft law. They will reach an agreement on the matter, and then the executive branch will publish the organic law.

2. The second document is a draft decree to establish the status and special attributes of all the members of the KEP personnel. We will submit it to the executive for publication once we have reached agreement with the executive on the decree. This is a decree guaranteeing the job security of the KEP personnel—in every sense of the word and also in respect for the KEP's independence.

3. The third document we are working on is the document concerning the KEP's internal regulations. Everything has a particular way it needs to be done. This document will provide guidelines for the members of the KEP as well as the rest of the KEP personnel as to how they should do their jobs. In this way, the administrative personnel and the technicians of the KEP institution will work in such a way as to be productive, with the means we will give them. This is the only way the institution can remain solid, with no backsliding. This is also what is going to permit the members of the KEP to accomplish, without wasting time, all kinds of missions they have to accomplish, especially the mission to hold the elections—from elections for KASEK [Administrative Council for the Communal Section] members all the way up to the election for the president of the Republic, who is to guide the ship of state for 5 years, as stipulated in the Constitution. This program is in keeping with the message the president of the military government delivered to the members of the KEP on 25 April in the presence of the ministers and the high-ranking Army leaders. In that message, Lieutenant General Prosper Avril made a solemn commitment to give the KEP as much help as it may need, so that proper, truly unfettered, democratic elections can be held under proper conditions.

4. The fourth document is the decree on the institution's budget. This is the budget for running the KEP and for buying whatever equipment it is going to need, as well as for any other expenditures it might have to make. This budget will go hand in hand, side by side, with the organic law. The budget and the organic law will go together all the way down the line, as twins go together.

5. After that, the last document is the one everyone is waiting for. It is this document that will be the essence of the matter: the electoral law. It is going to tell us how the entire election process is going to unfold. This document is going to set forth procedures in detail: the electoral lists, under what conditions a person may be accepted as a candidate, the conditions under which both Haitians in Haiti and Haitians overseas may vote, the formation of registration offices, the formation of the polling stations, what day citizens are going to cast ballots for the candidates of their choice, what punishment there will be for electoral fraud, the proclamation of the election results, and so forth. All those matters, and many others, will be in the electoral law.

It is this electoral law that will constitute the rules of the game, so to speak, aimed at countering injustice. For after all, it is the conditions that "do in," so to speak, the fighting rooster.

These five documents constitute the first intersection the KEP has to get across. They constitute the foundations for the accomplishment of our mission. This is what we call the KEP's intellectual work. This work requires brain work in order to sit down to write and study the draft law and hold discussions with the executive branch of the government so as to be able to carry out our patriotic mission.

II. The intersection consisting of physical work.

To write the law is one thing; to flesh it out is quite another matter. To put some flesh, so to speak, on the bones of the law, which is only on paper, is what we consider the KEP's physical work. It is the accomplishment of these tasks that will allow the KEP as an institution to not remain just a chick inside the egg.

There are diverse branches of this work.

1. There is the matter of a building to house the KEP's central office. The KEP must have its own office. The KEP office must have furniture in it, as well as all the other equipment necessary for the work.

The same holds true for all the offices we are going to have in each department and commune in the country.

2. These physical tasks entail having people to accomplish them. Therefore, the big job of hiring people needs to be accomplished. In this way proper elections can be held under proper conditions so as to satisfy all Haitians and so that all foreigners will respect us. This entails choosing the people in question carefully.

As we said, the first intersection to be crossed, so to speak, consists of certain intellectual tasks. The second intersection consists of physical tasks. These two intersections, phases, constitute the heart of the matter. They will permit us to reach the third phase, the actual organization—the elections everyone is awaiting.

III. The intersection consisting of the work of organizing the elections.

The work of organization has several stages to it, just as a ladder has several rungs.

1. The first rung consists of publishing the election calendar. This almanac will tell us when elections will be held, how they will held, and what they are going to start with.

2. The second rung is to establish registration offices in each commune and communal section. These offices must be staffed by sober people whom the population does not mistrust. They must be people who are fully aware of what kind of sacrifices such a responsibility requires, for the good of the nation. Elections are not child's play. These people must be patriotic—people who have big ambitions for their country, people willing to place the nation above all else.

3. The third rung is to begin registering the voters and the candidates—candidates for KASEK members, communal magistrates, deputies, senators, and, finally, president of the Republic. With the registration of the voters and the candidates, the election machinery that got under way the minute the members of the KEP were sworn in will shift into its highest gear.

4. The voting days themselves constitute the fourth rung of this ladder. This is an important day for voters and candidates. It is the day the truth comes out into the open.

It is the day on which the Haitian people will give proof of their convictions, show how patriotic they really are.

These three intersections loom large before the KEP. We must get across them to accomplish our mission well. Everything has its logical moment. It is only once you have captured the wild guinea fowl that you can call in the doctor promising this wild bird as payment for his services. No one gives credit on collateral consisting of eggs still in the belly of the chicken. That is another reason the KEP wants to make haste slowly, so to speak—take small step after small step—in crossing all these intersections. At each intersection we come to, we will stop and take a look behind us, along with you, people of Haiti. In this way we will be able to take note of where we came from and where we are heading.

People of Haiti: We just celebrated the 186th anniversary of the birth of our blue and red flag. This flag is the Veve [in voodoo, the design belonging to a particular "loa", spirit] that has tied the umbilical cord of the black Haitian to the umbilical cord of the mulatto Haitian on Haitian soil since 18 May 1803, beginning with the joint action by Dessalines and Petion. It is this walking hand in hand that brought us victory in the war of independence. This same spirit must inhabit our heads today [allusion to the possession of a human being by a "loa" in voodoo].

For this reason, we will remind you of the following truth: Our force as a nation lies in our all getting together.

What is important for us today is that there be proper, truly free, democratic elections, so that we can recover our balance and once again stand upright and steady on our feet. This is what will permit us to walk through the door into the development that we are all seeking.

People of Haiti: The coming elections belong to each and every one of us. It is for all of us and together with all of you that the KEP is going to organize these elections.

The KEP is counting on you, people of Haiti, so as to begin setting down the roots of the institution of democracy into all the mores of our country, Haiti.

Thank you.

Radio Soleil Administration's Decisions Protested

FL0706174489 Port-au-Prince Radio Metropole in French 1600 GMT 6 Jun 89

[Text] Radio Soleil's newscasts were off the air yesterday, suspended because of a conflict between the radio station's employees and its new administration. Radio Soleil was playing only music.

This protest was the direct consequence of a certain amount of tension within the radio station following certain decisions made by the administration that the employees considered threatening to the proper functioning of the radio station. The employees give as examples the return without explanation of Ramotus, the technical director fired last January by former Soleil director Father Hugo Triest; the firing of Emmanuel Cantave, a member of the education team; and the formal order from the administration to use a new station identification for the station.

Radio Soleil employees are awaiting an answer from the administration to a memorandum delivered to them last 25 May. They also want a meeting with the new administrative team to discuss the problems and this conflict at the Catholic Church's radio station.

Radio Soleil Reviews Weekend Press Issues

FL0706180689 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 5 Jun 89

[Press Review]

[Excerpts] Although the periodicals this week have different headlines, the topics discussed are very similar: La Tortue Island, the current insecurity, the Army, and the Father Sicot affair.

On its front page, HAITI-PROGRES discusses the new developments in the La Tortue affair. The paper says it obtained confirmation of the affair in an interview with Norman Lund, the president of the company in question. HAITI-PROGRES, which promises to carry this interview next week, writes: Even though this project seems a joke, Haitians should take it seriously, for the majority of the businessmen involved in it are former members of the U.S. Armed Forces with close ties to the U.S. Government.

For the paper, this means that the U.S. Government might have a hand, be it indirectly, in this project. [passage omitted]

HAITI EN MARCHE discusses the police and Army failure to provide security for citizens. These citizens are going to have to hire thugs to protect them. The government decree permitting the creation of security companies has created another monopoly for the rich, says the paper.

Avril has put on Duvalier's boots and created his civilian militia, writes this paper in an article on a special security corps the paper claims the general has secretly created.

This same topic appears in BALANCE. In an article entitled "On the Way to Creating a Parallel Army," Clifford Larose says there is mass recruiting going on at diverse garrisons in Haiti. The article says: If this is a parallel army that is being created, the government (?should) analyze all aspects, so that people will not laugh at it, for the experience of the Tonton Macoutes has reinforced the people's rejection of parallel armies. [passage omitted]

BALANCE points the finger at members of the Armed Forces in active service who are in cahoots with the death squads. It also discusses the government's lack of will to recover the weapons and ammunition out in the streets.

The periodical reports on a trade in automatic weapons that is going on along the border. According to BALANCE, these weapons are being sold to Dominicans for a lot of money. [passage omitted]

New Political Party Established in Carrefour

FL0706170789 Port-au-Prince LE MATIN in French No 26.740, 3 Jun 89 p 2

[From the "Au Jour Le Jour" column by Dumayric Charlier]

[Excerpt] Mr Helie Dupuy, who is from southern Haiti, came by LE MATIN's offices yesterday morning to announce to us that he formed a political party back in February of this year. The party headquarters is in Carrefour. The party's name is Democratic Education for a Haitian Awakening [Education Democratique Reveil Haitien], and its mission is to defend the interests of the Haitian People. Mr Eric Jerome is the party's secretary general. [passage omitted]

Montserrat

OECS, FRG To Discuss Radio Antilles Future

FL0606231889 Bridgetown CANA in English 1934 GMT 6 Jun 89

[Text] Plymouth, Montserrat, June 6, CANA—Caribbean leaders are hoping to convince West Germany to maintain aid to a Montserrat-based radio station.

They also want regional businesses to consider pumping money into the station, said by management to have an uncertain future.

Montserrat's chief minister, John Osborne, will lead a delegation from the Organisation of Eastern Caribbean States (OECS) to West Germany for talks with the government there on the future of the Montserrat-based, West German owned Radio Antilles.

The decision was taken at last week's OECS summit in Antigua at which the leaders received a report from Osborne indicating it was likely the German Government would remove a financial subsidy now made to Deutche Welle which currently sustains the Caribbean programmes on Radio Antilles.

A statement issued by the OECS secretary said the ministers recognised the valuable role which the radio station plays "particularly in the provision of news and public information in the Caribbean region as a whole and felt that efforts should be made to ensure that the level and quality of this service maintains."

The leaders outlined a five point mandate to be pursued including a delegation visiting the West German Government and said that "given the coverage of Radio Antilles over most of the region this matter should also be raised at the Caricom level" in July in Grenada.

The leaders also feel that approaches should be made to the private sector of the region to "elicit their interest in full or partial participation in Radio Antilles as a private sector venture."

Radio Antilles has been operating in Montserrat for the past 26 years.

Trinidad and Tobago

Panamanian Team Discusses U.S. Intervention

FL0706210089 Bridgetown CANA in English 1924 GMT 7 Jun 89

[Text] Port-of-Spain, Trinidad, June 7, CANA—A group of Panamanian officials now visiting Trinidad and Tobago says that the United States will have to keep out of Panama's internal affairs before steps towards fresh general elections can take place.

The team comprises Panama's new foreign policy director-general in that country's Foreign Ministry, George Fisher; dean of the School of Public Administration, Dr Cecilio Simon; and Mario Panther, deputy director of the Foreign Policy Committee of the ruling Revolutionary Democratic Party [RDP].

The Panamanian's said they want to correct the "misinformation" spread about Panamanian military leader General Manuel Noriega following the annulment of the controversial May 7 general elections his opponents were said to have won.

The team visited Barbados last weekend at the behest of the Revolutionary Democratic Party, the main governing party, which runs Panama along with Noriega and his military forces.

"We insist on non-interference in our internal affairs," Fisher, who takes up his new post in two weeks after being in charge of foreign news and foreign correspondents for the National Information Agency, said.

"We think that the selection of our authorities is a totally Panamanian affair," Fisher said. "This is our yard...and we want to control things in our yard. We don't think the OAS (Organisation of American States) can solve the problem unless the OAS can force the U.S. to withdraw its intervention."

"Anything short of elimination of the U.S. intervention in Panama's internal affairs will only prolong the problem rather than cure it. The minute the U.S. ceases to interfere, the moment the political process in Panama will function smoothly," Fisher told CANA.

The United States has been pressing for a transfer of power in Panama, claiming that Noriega's supporters cheated the opposition out of victory in the election.

An OAS team looking into the issue of the transfer of power has been visiting Panama.

Government Passes Extended Loan Bill

FL0706213789 Bridgetown CANA in English 1919 GMT 6 Jun 89

[Text] Port-of-Spain, Trinidad, June 6, CANA—The Trinidad and Tobago Government on Monday night passed legislation to extend its domestic and foreign borrowing requirements.

The move will allow government to offset increased foreign debt repayments and to seek a larger portion of domestic borrowing. The measure provides for amendments to the External Loans Act and the Development Loans Act which control government's borrowing on the foreign and local markets.

Following the changes, government will be able to borrow an additional one billion TT dollars (one TT dollar; 23.5 cents U.S.) from the home and foreign market. This would add two billion dollars to the planned TT715 million dollars in total borrowing for 1989.

Government had originally planned to borrow 652.7 million dollars abroad, offset by foreign repayments of 457 million dollars, while 520 million dollars was to be raised on the domestic market.

Piloting the changes during a special sitting of the House of Representatives Monday afternoon, acting Finance Minister Winston Dokeran said the measures were due to last August's devaluation of the local dollar which increased the cost of borrowing. Dookeran also cited difficulties in obtaining foreign borrowing this year.

He said that the increasing value of the Japanese yen was one of the main reasons for the Soaring Debt Repayment Bill since 54 percent of Trinidad and Tobago's external debt is nominated in yen raised in private bond placements in Tokyo.

Government faced extensive debate from the small three-member opposition which accused the government of upping its borrowing requirements because it had "bungled" a recent local bond placement. The intended TT225 million dollar bond issue launched in May had fallen short by 19 million dollars. At the time, government officials had stated that they did not intend to increase foreign borrowing targets to make up for the shortfall.

Opposition leader Patrick Manning, who clashed with Prime Minister A.N.R. Robinson during the debate Monday, accused government of increasing the debt burden on the local population.

Dookeran told the House that government expected to receive three billion dollars in foreign loans between 1989 and 1990.

He said the increase in the value of the yen had pushed debt repayments to more than four billion dollars at the end of last year.

The bill goes to the regular sitting of the Senate Tuesday afternoon.

Finance Minister Selby Wilson is currently in Washington continuing discussions on rescheduling the foreign debt, allowed under a 14-month standby programme with the International Monetary Fund.

Government Denounces Recent Incidents in PRC

PA0706164589 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 7 Jun 89

[Text] Through the Foreign Secretariat, the Mexican Government has denounced the recent events in China. Mexico hopes that the Chinese Government and people will find a way to resolve their differences without resorting to further violence. In a press communique, the Foreign Secretariat reported that Mexico is watching out for the safety of Mexicans living in China. Mexican Ambassador Jorge Eduardo Navarrete said the same thing in a statement to this station 2 days ago.

During his brief stay in Mexico City, PRC Foreign Minister Qian Qichen refrained from commenting on the situation in his country. The foreign minister spent the night at the Chinese Embassy in this city. He will visit Havana and will return to Mexico on Saturday.

Meanwhile, the Assembly of Representatives of the Federal District regretted the actions that have been taken against the Chinese people and indicated that the use of force is not the way to resolve social conflicts.

Our reporters have learned that Foreign Minister Qian Qichen departed aboard Mexicana Airlines flight No 315 for Cuba at 0625 today [7 June].

* Puebla Town's Revenues Rise Under PAN

32480136 Mexico City LA NACION in Spanish 15 Mar 89 pp 22-27

[Text] A single set of figures suffices, perhaps, to explain the profound change—not only from the physical and material standpoints but also that of the human environment—that has characterized San Martin Texmelucan—the place with the little oak tree—since 1987 when the first PAN [National Action Party] administration, headed by Apolonio Mendez Meneses, took office: the figures relative to reported revenues.

In the course of his second report, delivered on 12 February, Mendez presented a comparative analysis that speaks for itself: In 1986, the last year of what one hopes will be the last PRI [Institutional Revolutionary Party] administration, the reported receipts from taxes totaled 171,570 pesos. But in 1987, the first year of the PAN administration, they totaled 1,920,622 pesos. And in 1988, the second year of administrative honesty, they totaled 13.7 million pesos.

Under the heading of dues, the PRI administration reported receipts totaling 14.9 million pesos. And—what a coincidence!—during the first year of the PAN administration this total rose to no less than 102.1 million pesos, and in 1988 reached 289.4 million pesos. Where did all these funds go? Under products the PRI administration reported receipts of 6.4 million pesos in 1986, but in the first year under the PAN they rose to 69.7 million, and in the second year to 139.5 million pesos. And under user charges, the PRI officials reported 8.4 million in 1986, versus the 50.1 and 196.7 million pesos reported by PAN officials in 1987 and 1988, respectively.

Totaling the above figures, the PRI administration collected, in all, 38.1 million pesos of proprietary revenues in 1986, whereas the PAN administration collected 223.9 million in 1987, and almost three times that much—639.3 million pesos—in 1988.

Could it be a matter of "bad year" versus "good year?" Who knows? For the PRI all years are good years. Under federal and state revenue sharing, the PRI reported a revenue of 310 million pesos in 1986, versus receipts of 759.9 million reported by the PAN administration in its first year, and over 1,983 million pesos a year later. Under other revenues, the PRI consistently reported zeros, whereas the PAN collected 15.9 million in its first year, and the huge sum of 806.7 million pesos in 1988.

1986 Revenues Reported Under PRI Versus 1987, 1988 Revenues Under PAN—in Pesos

				Difference in Pesos		Percentage Difference	
Source	1986	1987	1988	1987 vs 1986	1988 vs 1987	1987 vs 1986	1988 vs 1987
Taxes	171,570	1,920,622	13,715,680	13,544,110	11,795,058	7,994.22%	714.13%
Dues	14,937,656	102,171,934	289,484,673	274,547,017	187,312,739	1,937.95%	283.33%
Products	6,596,422	69,775,678	139,561,706	132,965,284	69,786,028	2,115.72%	200.01%
User fees	8,439,813	50,106,734	196,756,098	188,316,285	146,649,364	2,331.29%	392.6%
Proprietary revenues	30,145,461	223,974,968	639,518,157	609,372,696	415,543,189	2,121.44%	285.53%
Revenue sharing	310,385,983	759,928,699	1,983,021,028	1,672,635,045	1,223,092,329	638.89%	260.95%
Other revenues	0	15,962,199	806,795,364	806,795,364	790,833,165	—	5,054.41%
Total Revenues	340,531,444	999,865,866	3,429,334,549	3,088,803,105	2,429,468,683	1,007.05%	342.98%

Not Only Money

But the quantitative economic factor alone is not a

sufficient basis for characterizing an administration as being positive or negative. Much can be done with little if used honestly and efficiently. And much can lead to resounding failure if resources are used stupidly, without a minimum scale of priorities as to the importance of projects or programs. In his second report, on which we comment herein, municipal president Mendez Meneses stated this as follows:

"We know that funds alone cannot resolve the profound and endless public service problems that beset our municipality. They must be managed honestly, intelligently, creatively, with financial professionalism, and above all on the basis of a listing of our needs according to priorities, over which the available funds can be distributed, for integral growth of our municipality. Only in this way can Texmelucan begin overcoming the backwardness it has suffered for many years."

And in San Martin Texmelucan there was much more at work than the collecting of revenues, prioritizing of needs, and distributing of funds according to needs: There was from the outset, from the first year, a call for confidence, for participation, for a sharing of the effort to catapult the municipality up to the place it should have and would have occupied as of many years ago, had its citizens resolved to elect their own officials instead of remaining on the sidelines or accepting out of hand the officials appointed for them from the outside. The response to this call was so enthusiastic that many of the projects were brought to completion owing to participation by people who contributed their own funds and labor, and whom the administration not only backed with funds, materials and equipment, but also encouraged to manage themselves. Thus, if San Martin Texmelucan has improved and changed during the past 2 years, it is because, in one way or another, all its citizens participated. And thus it was that, gratified by this, chemical engineer Mendez Meneses was able to say: "I'm proud to be a part of this community, where, together, we have sown the seed of change."

How was this possible? Work committees were formed "by blocks," which took on and carried out these functions: Project administration; arranging on their own for supplies and the contracting of labor, except for cement which was provided by the administration; supervision by all neighbors, to keep down costs; drawing up and adhering to a timetable based on an agreed starting date and date of completion. The administration, for its part contributed to the committees 50 percent of the total cost of the projects, plus technical and administrative expertise and advice.

And So, San Martin Changed

Since it was meant to be a kind of mirror in which the entire community of San Martin Texmelucan could see itself reflected, the work having been that of all, Engineer Mendez Meneses' second report was very detailed: It began with the Councillorship for Agriculture and Livestock, which provides support for selective breeding, high-quality artificial insemination, and pedigree-selected dairy cattle, and continued with the Councillorship for Sports, whose functions range from advisory services and seminar, to creation of an association and a municipal sports commission, to the providing of grandstands, scoreboards, and all incidentals to the organizing of sports events. This was followed by [the Councillorship for] Ecology, under which it covered some very interesting work being supported by the SEDUE [Urban Development and Ecology Secretariat] in the industrial environment: planting of trees, and training for protection of the environment. The result: Among other things, 14 companies in the township have plans for water treatment, involving the expenditure of thousands of millions of pesos, and the building of in-process oxidation ponds.

The Councillorship for Education has also performed very well, and San Martin Texmelucan has undergone many notable changes from a cultural standpoint. A particularly interesting topic is that of the Municipal Archive: The municipality took part in a 215-hour course sponsored by the National General Archive on the "Archive Network System." Over 1 million documents were inventoried and put into computerized storage; 115 historical books and printed documents were selected, covering the period 1901-1971, to be made available for consultation at the Town Cultural Center. Records of proceedings of the Cabildo were salvaged and restored.

In Internal Affairs, equipment and, above all, human resources were improved to upgrade the providing of public security; Parks and Gardens changed the town's features; Public Health; Public Services; Lighting; Street Cleaning; Fire Fighters; DIF [System for Complete Family Development]; Transportation; Controllership; Potable Water; special mention of those citizens who have paved their sidewalks; and an extensive program of drainage and sewage disposal, and of paving with asphalt and concrete, not only in the municipality's main town but also in the peripheral "colonias" [urban communities] and Juntas Auxiliares, which heretofore had been provided with services on the basis of "leftovers"... of which there never were any.

Projects and Implementations

The drainage system was extended to include the San Rafael Tlanalapan-IMSS [Mexican Social Security Institute] sewer; the Tetitla-Camino Real sewer; the drainage and sewage disposal facilities at San Francisco Tepeyacac and San Baltazar Temaxcalac; those of various town streets; and those of San Cristobal Tepaxtlaco, Santa Catarina Hueyatzacoalco, San Isidro y La Purisima, colonia El Cerrito, el Rancho La Joya, colonia Tamazoloapan, and San Lucas Atoyatenco.

Drainage facilities were also replaced in various colonias and streets. A total of 77,799 square meters were paved with concrete at a cost of 1,244 million pesos, which would have been higher had 661 million pesos not been saved through the participation of the block committees. And 12,779 square meters were paved with asphalt, at a cost of 305.5 million pesos. In the 2 years of the PAN administration, 285,117 square meters of pavement have been laid, representing more than 60 percent of all paving done throughout the history of San Martin Texmelucan. New projects include the paving of the San Rafael road and of the entrance to San Baltazar, Santa Catarina, San Cristobal, and Santa Maria Moytzingo.

True, the state government invested 3,076.9 million pesos in San Martin for the maintenance and rebuilding of roads, expansion and improvement of schools, the Atoyatenco bridge, recapitalization of the general stores at San Juan Tuxco and San Rafael, and water for San Cristobal. But it is also true that without an efficient and honest administration, the funds would not have yielded as much.

Out of total revenues amounting to 3,429,335,000.00 pesos, the administration spent 752.9 million pesos, or 25 percent of total expenditures, on personnel services (wages, salaries, supplements, pensions, retirement pay, health care, and social services provided to municipal workers).

Expenditures for maintenance and upkeep of municipal services amounted to 346.4 million pesos, or 11 percent of the total; for supplies (gasoline, lubricants, paper products, uniforms, etc) 240.4 million, or 8 percent; and capital items (transportation equipment, furniture, facilities, etc) 227.6 million, or 7 percent. [Pie chart of percentages quoted in these two paragraphs shows, in addition: public works 37 percent; subsidies 10 percent; debt service 2 percent.]

The Juntas Auxiliares were served better than ever before, beyond the requirements laid down by the pertinent laws, in both cash and kind. They received 64.9 million pesos in cash and 176.5 million in kind. The largest slice went to San Rafael Tlanalapan—105.9 million—because the sewage and drainage facility it needed could not be left unfinished. The smallest share—2.4 million in kind—went to San Lucas.

In concluding his second report, Mayor Mendez Meneses said:

"Once again at this time, I express special thanks to the owners of land involved in the carrying out of project work, for their cooperation, for their excellent response and the trust they have placed in their administration. This motivates us to redouble our efforts in behalf of our community. I want to emphasize that, together with their invaluable moral and physical participation, they furthermore contributed cash in the amount of approximately 500 million pesos in 1988, which were administered by them and which did not enter the Municipal Treasury. Truly, I thank you. I have no words that can convey my feeling of appreciation for your invaluable—I repeat, your priceless—moral and physical support."

Costa Rica

President Arias Criticizes PRC Government

PA0706014089 San Jose Radio Impacto in Spanish 1830 GMT 6 Jun 89

[Text] The Chinese youth are being murdered because their cries for freedom and democracy cannot be silenced, President Oscar Arias has said. He also stressed that, conversely, Costa Rica hopes to continue being a peaceful country with no army. He also said that Costa Rica has shown the world it has the moral authority to speak of justice, peace, and freedom. Concerning the situation in the PRC, President Arias said:

[Begin recording] At this time, thousands of miles from here, in Tiananmen Square, PRC government troops, machineguns in hand, are murdering many youths, because the troops cannot silence the cries that are heard throughout the world—cries for democracy and freedom. Those youths have never had the possibility of enjoying democracy and freedom, as these rights are prisoners under totalitarian regimes and dictatorships. [end recording]

In conclusion, the president of our country emphasized there are sister republics in our region that have endured this absence of freedom from the moment the tyrants began to rule.

Arias Urges More Electoral Reform in Nicaragua

PA0706171389 San Jose Radio Reloj in Spanish 1200 GMT 7 Jun 89

[Text] Costa Rican President Oscar Arias believes the Sandinist government should advance toward democracy. President Arias said that the ball is now in Nicaragua's court and that the Nicaraguan Government should specifically advance toward democracy by reforming its electoral and media laws. According to Arias, these reforms are necessary to ensure that the February 1990 elections are as democratic and free as possible.

Arias said he is not at all satisfied with the electoral reforms that have been introduced in Nicaragua, adding that under such conditions no European political party would participate in the elections. It is necessary, he said, to institute minimal and satisfactory [words indistinct]; otherwise, we will not succeed in making this election process a legitimate one.

Arias said Nicaragua does not have a framework for elections, as Costa Rica does. He added that we cannot expect elections in Nicaragua to be like those in Costa Rica [words indistinct] because Nicaragua does not have the framework or the mechanisms for holding similar elections.

Arias explained that a voter registration list does not exist in Nicaragua. He added that the electoral legislation approved prior to Ortega's trip to Europe is insufficient. According to Arias, it was agreed during the presidential summit held in El Salvador that constitutional reforms were not necessary. It is obvious, he added, that the government, the Army, and the party are one and the same in Nicaragua.

Arias agreed that the Nicaraguan situation will be discussed during the next Central American presidential summit, which will be held from 7 to 9 July in Honduras. He said the opposition political parties must decide whether or not they agree with the electoral legislation. Arias noted that Ortega has attempted to approach the opposition parties individually rather than negotiating with them as a whole. He described Ortega's attitude as too paternalistic, because Ortega wants to make individual concessions to the parties and not to the opposition as a whole.

Arias believes the most democratic option would be to reform the electoral laws. He added that Ortega should refrain from granting concessions to a particular party for agreeing to participte in the elections.

Madrigal Denounces Noriega 'Election Fraud'

PA0706200689 Buenos Aires REUTER in Spanish 1905 GMT 7 Jun 89

[Text] Washington, 7 Jun (REUTER)—Costa Rican Foreign Minister Rodrigo Madrigal Nieto said that a special OAS delegation sent to Panama discovered that Panamanian leader General Manuel Antonio Noriega only remains in power through force and election fraud.

Madrigal Nieto told the OAS last night that Noriega violated the Panamanian people's human rights when he annulled the 7 May election results.

The Costa Rican foreign minister maintained that a report issued by the OAS delegation showed that "the ruling regime (in Panama) has only remained in power through fraud and brute force...."

The OAS foreign ministers delegation traveled to Panama in late May to negotiate a transfer of power following the elections, which certain Latin American countries, the United States, and international observers said were won by the opposition.

The delegation disclosed its conclusions to the OAS yesterday. The OAS decided to send this delegation to Panama again to hold more negotiations with the government and the opposition.

Madrigal Nieto said that the OAS "realizes that human rights were violated in Panama."

He said: "The OAS warns that a formula for transferring power with full respect for the Panamanian people's will must be found and concern expressed over abuses committed by Gen Noriega, who is really the one holding power in that country."

The term of the president chosen by Noriega, Manuel Solis Palma, expires on 1 September, and no successor has been chosen for him yet.

Madrigal Nieto stressed that OAS cooperation with efforts initiated by the United States to oust Noriega is not a violation of the organization's commitment not to interfere in the domestic affairs of another nation.

He concluded: "From the moment that so many and so severe human rights violations took place in Panama-...any measures taken to safeguard these rights do not violate this nonintervention principle."

El Salvador

Assembly President on Talks With FMLN

PA0706171289 San Salvador Canal Doce Television in Spanish 0300 GMT 7 Jun 89

[Report by Mauricio Funes]

[Text] Salvadoran Legislative Assembly President Ricardo Alvarenga said today President Cristiani's dialogue offer must not have to be combined with the Farabundo Marti National Liberation Front's [FMLN] proposal, as the Democratic Convergence suggested.

The dialogue process under President Cristiani's government must be based only on the presidential offer of 1 June. According to Alvarenga, the FMLN proposal is based on tactical interests that have nothing to do with a sincere peace offer. Therefore, the resumption of talks with the FMLM must be based on the presidential offer, Alvarenga said.

[Begin Alvarenga recording] If the document or the proposal presented by the FMLN contains elements they know very well are not 100 percent acceptable, then why do they propose it? They propose it so it is rejected. That is our opinion of the FMLN proposal. We expressed that opinion before 1 June.

Let us base the talks on the proposal presented by President Cristiani on 1 June. That is the offer. We are not going to enter a game of counterproposals.

I remember President Cristiani said: Gentlemen, let us sit down to talk if we want to talk, but we will not enter a game of proposal and counterproposal, and counterproposal to the counterproposal. He said: No, we will not play tactical games. We are going to sit down to talk seriously to try to solve the country's problem. [end recording]

Alvarenga added that if the FMLN closes all doors to hold a dialogue, the military option will be the only option left. The law is the law, and if the FMLN does not want to abide by it, we will have to force the FMLN to enter the strict framework established by the Constitution, Alvarenga said.

Archbishop Defends Church's Role as Mediator

PA0706180589 Panama City ACAN in Spanish 2140 GMT 6 Jun 89

[Text] San Salvador, 6 Jun (ACAN-EFE)—San Salvador Archbishop Arturo Rivera y Damas today said that the church will continue to mediate, whether it is "invited or uninvited," in the armed conflict between the government and guerrillas.

This was the archbishop's response to a statement by Legislative Assembly President Ricardo Alvarenga that the new Salvadoran Government "will establish a direct dialogue without the mediation of any person or institution."

Rivera y Damas explained that so far the Catholic Church "has not been discarded" as a mediator by the government, which is headed by new President Alfredo Cristiani, or the guerrillas, who are waging an armed struggle that has claimed more than 70,000 lives in 9 years of war.

Alvarenga insists that "it is preferable to hold direct talks to avoid distortions or the personal influence of those who are not responsible for decisionmaking."

Politicians linked to the government of the Nationalist Republican Alliance (ARENA) maintain that the Catholic Church "has at times shown favoritism toward the guerrillas" and that some of its members "are skewed to the left."

Rivera y Damas said that "the church is part of the people and as long as there is no peace, it will offer its good offices to work toward peace regardless of whether it is invited to participate in talks."

During the administration of former Christian Democratic President Jose Napoleon Duarte, Archbishop Rivera y Damas mediated in three dialogues between the government and the Farabundo Marti National Liberation Front (FMLN).

The archbishop said that the Catholic Church has played "a very important role" as mediator, especially in negotiations to free wounded guerrillas, to secure the release of President Duarte's daughter, and to help prevent terrorist attacks.

According to Rivera y Damas, the spiritual guide of almost 90 percent of the Salvadoran population, "the church has helped humanize the war."

Social Democratic leader Guillermo Ungo said that "it would be a mistake" to exclude the Catholic Church as mediator from a possible dialogue between the government and guerrillas.

"The talks would lose credibility if the church did not mediate, because it has great prestige and is neutral," according to Ungo, former presidential candidate of the Democratic Convergence, a coalition of left-wing parties.

FMLN Reports New 'Nationwide Maneuvers'

PA0806030889

[Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0005 GMT on 8 June from poor reception carried approximately 45 minutes of reports on rebel activities throughout the country. The station begins its cast greeting all the FMLN [Farabundo Marti National Liberation Front] units "who participated in today's nationwide maneuvers." It adds that the "To Battle, Everyone Against ARENA" [Nationalist Republican Alliance] [Al Combate, todos contra ARENA] nationwide maneuvers included "day and night attacks launched simultaneously along the four war fronts" adding that "nine departments of the country were simultaneously attacked in broad daylight."

At approximately 0015 GMT the station reports that "only 7 days after the new government assumed power, the FMLN carried out a new military maneuver against ARENA." It adds that the maneuver was carried out "only hours after changes within the Armed Forces" were made.

The first report read was received from the Francisco Sanchez Eastern Front. The report states that "at 0635 GMT, Conchagua Battalion troops" were attacked near Albornoz Canton, Santa Rosa de Lima jurisdiction, La Union Department. The report adds that the rebels inflicted 12 casualties on the Salvadoran Army troops and recovered many weapons.

A second report states that "at 0800 on Wednesday morning an annihilation maneuver against 4th Military Detachment troops was launched in (?Redado), Cacaopera jurisdiction, Morazan Department." The report adds that the operation lasted 3 hours and that the rebels inflicted 33 casualties and recovered "16 M-16 rifles, 3 clips, a PRC-77 radio, 8 hand grenades, 3 binoculars, 3 machinegun belts, 2 compasses, boots, and other equipment."

At approximately 0026 GMT Radio Venceremos reports that Arce Battalion troops were attacked "today at 1300, in Llano La Cotorra hamlet, San Gerardo jurisdiction, San Miguel Department." During the attack the "enemy suffered two serious casualties." The station also reports an attack on a Jucuaran Battalion post in "Tierra Blanca, Jiquilisco Jurisdiction, Usulutan Department." The attack was launched to "gain control of areas along the coastal highway." The station added that a "35-car blockade was set up and traffic on the highway was interrupted for 3 hours."

At 0033 GMT Radio Venceremos begins reading reports received from the Modesto Ramirez Paracentral Front. The first report is on an attack launched on "7 June in Villa Victoria." The attack was launched "in broad daylight," and "a helicopter was damaged." According to the report, two helicopters were in the area to evacuate wounded soldiers.

At approximately 0040 GMT Radio Venceremos reports on an attack in Cerro Colorado Canton, Cabanas Department. "Shortly after the attack was launched, two helicopter gunships and a transport helicopter arrived in the area. Our antiaircraft units opened fired and hit one of the helicopters."

The station continues to report on an attack on a paramilitary post in La Libertad Department during which weapons were recovered. The report states that the attack was "launched at 0520." It adds that the Civil Defense headquarters and the ANTEL [National Administration for Telecommunications] offices in the area were also attacked.

At 0045 GMT Radio Venceremos reports that "a helicopter was downed" in the area between San Martin and Suchitoto, Suchitoto Jurisdiction, Cuscatlan Department. The helicopter had flown into the area to "give air support to the enemy, but our antiaircraft units shot it down. The helicopter crashed in (Caulote) Canton, near Suchitoto." The "Air Force used a small plane, three helicopters, and (?C-47) plane, to evacuate the soldiers." Radio Venceremos concludes by stating that these attacks prove that the "Salvadoran Air Force has been neutralized in combat launched in broad daylight."

Alleged FMLN Members Set Fire to ANTEL Office

PA0706173089 San Salvador Canal Doce Television in Spanish 0300 GMT 7 Jun 89

[Report by Marco Antonio Guevara]

[Text] At midday today, four persons claiming to be members of the Farabundo Marti National Liberation Front set afire the National Administration for Telecommunications [ANTEL] offices located at Soyopango's San Jose No 2 neighborhood, to the northeast of San Salvador.

According to employees and witnesses, the individuals calmly took the time to ensure three ANTEL motorcycles that were at the service entrance of the building were put inside.

[Begin recording] [Unidentified employee] Four individuals armed with 45-caliber pistols entered at 1140. They ordered us out and said they would not harm us but were going to set the office on fire. They got us out and set the office on fire with the motorcycles inside.

[Guevara] How many people work here?

[Employee] Nine all together; six were on duty: two telephone operators, two messengers, and two others.

[Guevara] Did the neighbors panic? Were they afraid the fire would spread?

[Employee] The neighbor's house is thatched. The firemen came and put out the fire. The fire had destroyed almost everything by the time they arrived, but at least it did not affect the neighboring houses. [end recording]

Losses are estimated at about 300,000 colones, because according to what we were told, all the equipment was brand new. A similar event took place at this same ANTEL locale in Soyapango last year.

Coffee Mill Attacked, Power Lines Sabotaged

PA0806043489 San Salvador Canal Doce Television in Spanish 0340 GMT 7 Jun 89

[Excerpts] The FMLN [Farabundo Marti National Liberation Front] wounded six soldiers and caused considerable damage during an attack on a coffee mill in Santa Ana Department.

Damage to the mill was minor, but losses surpassed 70,000 colones because the attack was aimed at the agricultural department. A total of 55 fumigation kits and a large quantity of raw materials were destroyed. The mill, known as (El 77), is the COPRA agricultural products cooperative and belongs to private businessmen sector. [passage omitted]

Colonel Jose Humberto Gomez, commander of the 2d Infantry Brigade said that in their effort to harm the government, the guerrillas are directly hurting the civilian population.

[Begin Gomez recording] The FMLN's strategy is to destabilize the new government. The guerrillas attacked the [words indistinct] coffee mill, damaging a single section of coffee mill 77, where fertilizer is stored. [words indistinct] where two civilian policemen were wounded. [end recording]

Col Gomez added that the FMLN is powerless, and that the various actions carried out by the Armed Forces have minimized their activities.

[Begin Gomez recording] Considering the situation on a national level, the terrorists' activities have considerably decreased because of the Armed Forces' actions. In Santa Ana Department the FMLN's activities are relatively low. However, the Army feels capable of further minimizing the FMLN's actions throughout the department. [end recording]

The military officer who recently took over the 2d Infantry Brigade command announced a possible change of military strategy in this department designed to avoid sabotage and neutralize guerrilla activity.

Meanwhile, large sectors of San Salvador and the interior today suffered blackouts after guerrilla attacks this morning. Residents from seven departments confirmed the suspension of electricity after several structures involving primary electricity lines were destroyed. [passage omitted]

Guatemala

Cerezo Comments on Cristiani Proposal to FMLN

PA0706123189 Guatemala City EL GRAFICO in Spanish 4 Jun 89 p 4

[Text] In response to a question by EL GRAFICO regarding Salvadoran President Alfredo Cristiani's offer to negotiate with the Farabundo Marti National Liberation Front (FMLN), President Vinicio Cerezo said it was a decision by President Cristiani, so he respects it.

President Cerezo added that Cristiani had a choice between following former President Duarte's policy or the method established in the Esquipulas II plan, which is a dialogue through the National Reconciliation Commission.

Cerezo said he respects Cristiani's decision and stressed that El Salvador is indeed a sovereign state and that Cristiani is entitled to make such a decision.

The reporters also asked President Cerezo about his government's support for the plan to demobilize the FMLN and whether this matter had been broached during his visit to El Salvador.

Cerezo said that if the Salvadoran Government brings up the issue, the Central American presidents are willing to discuss it. He added that Guatemala is not supporting a specific proposal because none has been presented.

Cerezo added, however, that if the Salvadoran president makes such a proposal, the Central American presidents would be willing to discuss it as they do with all proposals presented to them.

* Foreign Exchange Shortage Affects Reactivation

32480146a Guatemala City LA HORA in Spanish 25 Apr 89 p 19

[Text] In the last 2 years, the financial and monetary tools proposed for the normalization of trade relations have not produced results. As a result, regional trade has continued to decline, Carlos Echeverria, director of the International Department of the Bank of Guatemala, stated.

Central American trade experienced a slight increase in dynamism in 1988, although political and economic factors making it difficult to sustain the series of agreements approved on various negotiating levels continued to be visible.

Because of this, full normalization of trade relations was not achieved, particularly with regard to the shortage of foreign exchange. This has become the main obstacle to reactivation of the economy in the area.

According to the preliminary figures provided by the Secretariat of Central American Economic Integration (SIECA), the countries in the region exported goods and services worth $525.6 million in 1988, while imports came to $525.5 million.

Guatemala and Cost Rica were the countries that benefited most from regional trade, since their exports accounted for 67 percent of the total, while despite its internal political-military conflict, El Salvador retained a certain dynamism, particularly in trade with Guatemala.

In describing the situation of each of these countries, Echeverria said that Guatemala signed a payment agreement with Honduras for the amortization of a debt it had accumulated, but this agreement was recently suspended because of nonfulfillment of the Tegucigalpa agreement.

A SIECA report says that the Honduran debt to Guatemala comes to a total of about $25 million.

The official quoted added that trade between Costa Rica and El Salvador has been fluid, unlike the situation with Nicaragua, which is experiencing a severe shortage of foreign exchange. As a result, the trade volume has declined substantially.

It is important to note that Nicaragua shipped 62 percent of its export total to Guatemala.

On the other hand, a document drafted by the executive secretariat of the Central American Monetary Council says that the payment mechanisms provided by the clearing fund in the common market treaties have almost ceased to be used as a result of the lack of liquidity, to the point that it has become impossible for the central banks to use these forms, which in the past were an effective means of guaranteeing payment fluidity.

The report says that for the first time since the beginning of the crisis in this decade, when, generally speaking, an improvement could be seen in trade volume, the compensation operations are moving in the opposite direction.

The most worrisome thing is that the decline in regional trade has been matched by an increase in transactions with suppliers in countries in other regions, since they can offer the same financial facilities as were previously obtained through the clearing fund.

The efforts to establish the so-called Central American Import Duty (DICA) payment system have not borne fruit, despite the fact that this system has been endorsed by the central banks in El Salvador, Guatemala, and Nicaragua.

The level of interest in reactivating the integration processes tends to differ depending on the conditions of development in each country.

Guatemala continues to have an industrial structure that is closely linked with the regional market. This has an effect on the fact that the productive plant is operating at an underutilization rate of about 40 percent.

Costa Rica, on the other hand, has in recent years continued an effective process of industrial conversion oriented toward the production and export of manufactured goods and nontraditional products. Substituting sales to the United States for those to the Central American common market, it has taken advantage of the Caribbean Basin Initiative launched during the Reagan administration.

The role of the regional bodies, the SIECA in particular, has been oriented toward the recommendation of innumerable trade and monetary mechanisms, but the governments and business sectors have not shown great interest in putting them to use.

This critical situation is also affecting the Central American Bank of Economic Integration (BCIE), since that financial body lacks the resources to promote economic and social development projects.

* Central Bank Study Analyzes 1988-89 Economy

32480146b Guatemala City LA HORA in Spanish 25 Apr 89 pp 18-19

[Article by Edgar Alberto Quinonez Taracena]

[Text] Given the importance of knowing what the central bank thinks about the development of the Guatemalan economy in connection with the international and domestic economic situations, as well as its views on the prospects for this present year, we are providing our readers with the document drafted by the Economic Studies Department of the Bank of Guatemala during the first quarter of this year entitled "Evaluation of Economic Activity in 1988 and Prospects for 1989."

If the study we are presenting here is taken into account along with the measures approved by the Monetary Council on 9 March, when it announced that the nation's monetary, foreign exchange, and credit policy measures will remain unchanged in 1989, their goal being the financing of economic activity within a context of stability; and along with the provision approved the preceding Monday, 17 April, wherein along with the requirements set forth for the various economic sectors for the basic purpose of facilitating development of the productive process, it was proposed that the credit policy for 1989 be revised to make it more flexible, we will then have available the basic facts needed to obtain some idea of what is currently happening with the Guatemalan economy. However, due to its length, we will limit ourselves here to presenting the following sections.

The International Economy

The projections of the International Monetary Fund [IMF] for 1989 with regard to national economies indicate that the gross national product of the industrial countries will increase only 2.8 percent in real terms. This development will be affected by the anticipated slowdown in the rate of growth of the national product in the United States, Canada, Japan, and the United Kingdom.

For the group of developing countries, in turn, growth of 4 percent would be expected, resulting from the expected increase in the gross domestic product of the developing countries that are not oil exporters.

In the price sector, it is estimated that the rates of inflation in the industrialized countries will continue to be moderate, averaging about 3.5 percent, while in the group of developing countries, the efforts to contain inflation might have some success in 1989, reducing the rate to 26.7 percent from the 55.5 percent estimated for 1988.

With regard to the balance of payments, it is predicted that the deficit in the current accounts of the industrialized countries will be about $60 billion in 1989, that is to say at almost the same level as in 1988. Within this group of countries, it is expected that Japan and Germany will continue to show a surplus, while the United States will continue to show a negative current account figure in the balance of payments. The developing countries, both those that export oil and those that do not, will see an increase of $5.2 billion in their negative balances, with an increase from $15.5 billion to $20 billion in the years mentioned.

Domestic Economic Activity

The prospects for economic activity in 1989, based on the dynamism observed in the productive process in 1988 and the expectation of an atmosphere of greater certainty, suggest that the national economy might see an accelerated rate of growth and might reach a rate of about 4 percent in real terms.

Again, the gross geographic formation of fixed capital is the factor that would show the greatest dynamism, since growth at a rate of 10.2 percent can be expected. This factor, then, would continue to show the recovery that began in 1986.

This result is likely to be influenced by public investment, which, it is predicted, will develop at a rate of 12 percent in real terms, mainly as a result of the continuation of basic social infrastructure projects. Outstanding among these would be the completion of the Escuintla-Puerto Quetzal highway, the rebuilding of the North CA-9 highway between Rio Hondo and Santo Tomas, continued construction of neighborhood access roads in the rural sector, the building of the Palin-Escuintla superhighway, and the expansion of education and health centers. Considerable growth, reaching 9.5 percent, is also expected for private investment, mainly with the completion of the construction in the metropolitan area authorized in 1988 and the purchase of new equipment to expand and renovate the national product apparatus.

It is estimated that private consumption will maintain the dynamism seen in 1988, developing at about 4 percent. The reason for this would be the further recovery in the level of minimum wages to be effected this year, and some wage increases that might come about in the private sector. Also, the more rapid rate of economic activity would generate more jobs. Moderating the increase in the consumer price index, expected to develop at a rate of about 9 percent, would also contribute to ensuring this dynamism.

A positive result is expected in the foreign sector, with goods and services showing dynamism similar to that seen in 1988, in real terms, at a growth rate of 6 percent. Achievement of this result will depend on whether the price and volume prospects improve for the leading export products on the international market. Similarly, it can be expected that a rate tending toward expansion will continue for exports of nontraditional products.

Imports of goods and services in real terms, for their part, are expected to increase at a slower rate, down from 7.8 percent in 1988 to 6.2 percent in 1989, in view of the fact that in the past 2 years, these rates have been relatively high. As a result, the need for the expansion and replacement of existing equipment in the productive apparatus may have been met.

The Foreign Sector

It is expected that in 1989, foreign economic relations may produce a favorable result for the country. This would be reflected in a virtual equilibrium in the balance of payments due to improved economic conditions, both domestic and regional. However, the current account will continue to show a deficit as a result of those expected in the trade account ($384.6 million) and the service account ($330.1 million), since a positive balance of $220 million is predicted for transfers.

The trade balance deficit would continue to result from an increase in imports, despite the dynamism that it is hoped will be seen in exports. In this connection, it is important to note that the quota assigned the country by the International Coffee Organization (ICO) for the 1988-89 harvest was set at 2,332,600,000 quintals, 249,800 quintals more than the quota for the 1987-88 harvest. Although price development is hard to predict, the international market trend suggests a possible increase of approximately 5 percent.

In service operations, the deficit of $330.1 million predicted for 1989 will be determined in large part by the negative result expected for the investment yield account because of interest payments on the foreign public debt.

For transfers, the surplus will be similar to that last year. In this connection, the donation of $70 million expected from the Agency for International Development (AID) will be a determining factor.

In the capital account, a positive balance of $499 million is expected for 1989, as compared to the $342.5 million reported in 1988. The flow of short- and long-term private capital will be a determining factor in this result. It is expected that together they will show a surplus of $357.9 million, and that company and bank capital will generate net income in the amount of $141.1 million.

In short, it is expected that income from exports in 1989 will be supplemented by the gifts the country will receive, with the $70 million from AID playing a preponderant role, as well as net capital income, within which the financial contribution of the IMF in the amount of $40 million and that of the International Bank for Reconstruction and Development (IBRD) in the amount of $80 million stand out. Thus it can be hoped that there will be resources to meet the foreign exchange requirements of the economic agents, and even a surplus of $4.3 million to raise the level of Absolute International Monetary Reserves.

Thus where the foreign debt prospects of the country for 1989 are concerned, the debt policy will be linked, as it was last year, to the achievement of equilibrium in the balance of payments, and alignment with the country's investment and development programs.

In fact, it is expected that financing arrangements will be completed, mainly with international financing bodies, both to contribute to the balance of payments and for public investment projects.

Where the process of renegotiating the foreign debt is concerned, it is very important to note that significant progress has been made toward an agreement with private banks with regard to the debts of the Bank of Guatemala. Consistent with the monetary policy approved by the Monetary Council, the programs for the amortization of stabilization bonds will be continued.

The Fiscal Sector

By means of Decree No 70-88, the Congress of the Republic approved the State Income and Expenditures Budget for the 1989 Fiscal Year, in the amount of 3.6481 billion quetzales.

The budget calls for current income in the amount of 2.5783 billion quetzales and income from public credit in the amount of 1.0698 billion quetzales. Of this latter sum, 404.6 million quetzales represent foreign loan payments. The rest of the public credit, in the amount of 665.2 million quetzales, will come from the sale of treasury bonds for the 1989 fiscal year and bonds issued in earlier years, amounting to 553.2 million quetzales and 112 million quetzales, respectively.

A total of 1.8839 billion quetzales is allocated for operational programs, 1.0177 billion for investments, and 746.5 million quetzales for the foreign debt service. Of this last amount, 374.6 million quetzales will go to pay interest and 371.9 million for payments on principal.

According to the income and expenditures report (excluding expected donations and amortization of the foreign debt), the budget will show a deficit of 987.6 million quetzales, representing 4.2 percent of the estimated gross domestic product for the year.

Despite what has been said, it can be expected, on the basis of historical coefficients, that budget implementation will produce a deficit of 617.8 million quetzales, due in particular to the foreseeable underimplementation of investment expenditures. However, it should be borne in mind that in view of the magnitude of the budgeted financing, the government will have to seek alternative sources, and it must be remembered that for the purpose of achieving the growth goals for the monetary aggregates, the banking system could obtain no more than 35 million quetzales, net, from treasury bonds.

Monetary and Financial Aggregates

The figures available as of 10 February of this year show relative recovery for the variable factors subject to goals. Net international reserves as of that date had increased from -$12 million to -$8 million, while domestic assets had decreased during the same period by 48 million quetzales. Despite this improvement, the levels for these variables still fall far short of the goals set for March. On the other hand, bank liquidity again showed recovery, reaching a figure of about 200 million quetzales. These are resources that, if oriented toward credit for the private sector, could generate additional foreign exchange demand.

Because of the above, certain measures of a monetary nature have become necessary, in order to offset the surplus liquidity seen at present in the banking system. If no such steps were taken, the monetary variables might develop beyond the desirable limits, with the resultant effects on the international monetary reserves of the country. This would lead to an imbalance both in prices and in the rate of exchange, and would to some extent offset the efforts already made to achieve domestic stability, as well as resulting in failure to fulfill the agreement signed with the IMF. In this connection, a passive estimate of the monetary picture was made, showing an increase of about 12.4 percent in the means of payment, 14.1 percent in the circulating medium, and 15 percent in credit to the private sector.

With the adoption of a restrictive monetary policy, it is hoped that the development of the principal monetary variables can be modified, as can be seen in the active estimate of the monetary picture. Thus the means of payment would develop at 8.9 percent, the circulating medium at 8.4 percent, and credit to the private sector at

about 8 percent. In order to achieve these goals, it would also be hoped that credit to the public sector would be reduced by approximately 180 million quetzales.

Development of the Exchange Rate on the Various Markets

Monthly Average	Bank Market Rate		Nonbank Market		Regulated Market	Differential Between Markets	
	Purchases	Sales	Purchases	Sales	Purchases	Nonbank Purchases	Nonbank Sales
1988							
January	2.55924	2.57583	2.52258	2.56839	2.50000	-0.04	-0.01
February	2.55228	2.57797	2.54379	2.58862	2.50000	-0.01	0.01
March	2.53640	2.55442	2.52065	2.55935	2.50000	-0.02	0.00
April	2.54463	2.56027	2.52133	2.56300	2.50000	-0.02	0.00
May	2.56718	2.58170	2.55194	2.58581	2.50000	-0.02	0.00
June	2.63495	2.64680	2.61100	2.64222	2.70000	-0.02	0.00
July	2.70000	2.72500	2.70000	2.76065	2.70000	0.00	0.04
August	2.70000	2.725002.70677	2.75516	2.70000	0.01	0.03	
September	2.70000	2.72500	2.71067	2.75067	2.70000	0.01	0.03
October	2.70000	2.72500	2.71548	2.75290	2.70000	0.02	0.03
November	2.70000	2.72500	2.71200	2.74867	2.70000	0.01	0.02
December	2.70000	2.72500	2.68323	2.74065	2.70000	-0.02	0.02
1989							
January	2.70000	2.725002.71097	2.75419	2.70000	0.01	0.03	
February	2.70000	2.72500	2.71950	2.74750	2.70000	0.02	0.02

Honduras

Electricity Supply To Panama To Continue

PA0806035789 San Pedro Sula TIEMPO in Spanish 7 Jun 89 p 18

[Excerpt] Tegucigalpa—Although Honduran President Jose Azcona said the sale of electricity to Panama will be suspended, an executive from the National Enterprise for Electric Power (ENEE), yesterday stated that the sale will not be suspended because the Panamanian Government has committed itself to paying off the debt with sugar.

This was stated by ENEE manager Ramiro Zuniga Soto, who also said that the sale of electrical energy to Panama will not be suspended because "even though the Panamanian Government's resources are frozen, it is willing to pay its debt any way it can."

President Azcona said Panama has been supplied with electricity from "El Cajon" for the past 2 years, during which it accrued a debt of approximately $4 million.

Said Zuniga Soto, "I was instructed to stop supplying Panama with electricity if it did not pay the debt, but in April the Panamanian Government told us that it would pay its debt with sugar and, perhaps, with molasses." He added, Honduras is currently short of sugar and molasses, which prompted the Panamanian Government's offer to trade those products for electricity.

Zuniga Soto said that executives from the Economy Ministry, ENEE, and the Honduran Central Bank visited Panama in April to meet with Institute of Hydraulic Resources and Electrification officials.

At the meeting, payment of Panama's debt by cash, compensation, or trade was discussed.

According to William Wilde, assistant manager of ENEE, "it was agreed that the Panamanian Government would pay its debt to Honduras with sugar and, if possible, with cash." [passage omitted]

Nicaragua

D'Escoto Addresses OAS Meeting on Panama

PA0706184389 Managua Radio Sandino in Spanish 1256 GMT 7 Jun 89

[Text] With the firmness created by its self-determination, Nicaragua made its position perfectly clear at the conference of Latin American and U.S. foreign ministers held by the OAS in Washington yesterday. Foreign Minister Miguel D'Escoto, the first speaker at this conference, said his government opposes treating Panama as the center of the problem involving respect for democracy and human rights.

D'Escoto said an overall analysis should be made of this matter, because there are nonrepresentative governments and dictatorships in Latin America where the armies hold power, and the OAS has never appointed

commissions or delegations to pressure them. D'Escoto suggested the OAS be empowered to supervise all election processes in the continent if one wants to be consistent with the OAS Charter.

[Begin D'Escoto recording] Mr President, Foreign Ministers, Chiefs of Delegations: These are views and legitimate concerns for the advancement of true democratization processes in our region and for finally ending foreign meddling in the election processes of Latin America and the Caribbean.

We propose the approval of a resolution in which every member state, including the United States, would promise to ask the OAS secretary general to send a delegation to confirm the honesty of the respective election processes in each of our countries, from beginning to end.

At this time, I am delivering—I think that the Secretariat has already (?handed it out to you)—a draft on this resolution. I am requesting that it be discussed as soon as possible. In this draft we are asking—as you may see—our secretary general to issue periodic reports on:

1. How the electoral and media laws in each of the member countries guarantee full respect for the citizens' civil and political rights;

2. How these civil and political rights—guaranteed by the law—are being respected in practice;

3. How the supreme electoral councils will be composed to ensure they have been fairly created, (?based) on political forces;

4. The guarantees and facilities provided to observers so they will be able to fulfill their duty; and

5. Any foreign meddling in the election process, its extent, and its effect on the elections. [end recording]

Bayardo Arce Meets Jamaican Prime Minister

PA0406022889 Managua BARRICADA in Spanish 31 May 89 pp 1, 5

[Report by special correspondent Maria Alicia Talavera]

[Excerpt] Kingston, Jamaica—Commander of the Revolution Bayardo Arce Castano, who is also vice coordinator of the FSLN [Sandinist National Liberation Front] Executive Commission, held a frank and cordial 45-minute talk with Jamaican Prime Minister Michael Manley yesterday afternoon.

Commander Arce's visit to Jamaica has followed a very tight schedule. On his 1st day here he met with the Jamaican leader and expressed the FSLN's congratulations for Manley's victory in last February's elections. Bayardo also informed Manley of the current Nicaraguan situation, the steps taken by Nicaragua to comply with the Costa del Sol agreements, and other unilateral steps Nicaragua has taken to strengthen the democratic process in our country.

During the meeting, Manley and Arce also discussed the possibility of beginning, or rather resuming, ties between the Nicaraguan Atlantic Coast and Jamaica. This relationship has been suspended for some time, but now that the Jamaican People's National Party has returned to power, there are new possibilities for revitalizing ties.

The FSLN directorate member also informed Prime Minister Manley that the Nicaraguan Government wants to establish a Nicaraguan Embassy in Jamaica to serve all the English-speaking countries in the Caribbean. The embassy is currently located in Guyana and is headed by Comrade Thomas Gordon. Manley reacted positively to the Nicaraguan proposal. [passage omitted]

Borge Interviewed by Budapest Newspaper

AU0606140489 Budapest NEPSZABADSAG in Hungarian 2 Jun 89 p 3

[Interview with Interior Minister Tomas Borge by Gabor Horvath in Budapest; date not given: "There Are 23 Parties in Nicaragua"]

[Text] Commander Tomas Borge became known as one of the military leaders in the struggle against Somoza. As the interior minister of the Sandinist government, he is also compelled to direct armed actions. However, he wished another type of fame for himself: His book "Impatient Patience" has won the literary prize of the Casa de las Americas in Havana, Cuba, and this proves his literary talent. However, during his visit in Budapest, we asked him about politics, rather than literature.

[Horvath] The Sandinists won the military struggle. What is the current situation in Nicaragua and what does the government regard as its most urgent task?

[Borge] We can say that the situation in Nicaragua is normal. We have passed a logical phase in our historical development: So far, no other revolution has been able to avoid confrontation. The long war is still continuing in a certain respect. The intensity of the armed struggle has decreased, but it has not yet stopped altogether. Although militarily weakened and demoralized, the armed forces of the counterrevolution still exist. This year, the U.S. Congress has already allocated $70 million for their survival. The contras continue to be a threat for us, although they will never be able to grab power. In spite of this, Nicaragua has advanced more than the other states in implementing the decisions of the Central American summits. Unfortunately, the elections due in February next year will take place amidst an economic crisis, but even so, the Sandinists are certain of support from most people.

[Horvath] What opportunities are there for accelerating your economic development?

[Borge] Our economic situation is difficult. Our inflation is unparalleled even in Latin America. However, there are opportunities of breaking out of this crisis. From an economic viewpoint, the market is not hell. The most important thing is to achieve understanding between workers, government, and the entrepreneurs. We think that our economy will flourish from 1990 on. Of course, it will not be easy to achieve this because the war losses make up some $20 billion.

[Horvath] How does the mechanism of political pluralism work under the the specific Nicaraguan conditions? How are the Sandinists preparing for elections?

[Borge] There are 23 political parties in our country. These parties have their own newspapers and also receive television time during the election campaign. For its part, the Sandinist front is currently preparing for the 10th anniversary of the victory of our revolution which we will celebrate in ?uly, with many guests. Naturally, we continue to think about elections during this time, but, according to the law, the election campaign itself will last 80 days. By then, the seven new parties which have already announced their intention to run will have been registered.

[Horvath] What methods of solving the conflict between the government and the opposition can one imagine?

[Borge] The elections themselves will be the best means of solving these contradictions. Our opposition is mostly extremist, and the right-wing is less civilized and not modern. With the exception of the Sandinist front, there is no other political party that can be called moderate. Our conflict with the extreme right opposition that is conducting a pro-imperialist policy cannot be solved, and thus, our confrontation continues.

Cordoba Devalued at Highest Rate in 3 Months

PA0606164089 Hamburg DPA in Spanish 1520 GMT 6 Jun 89

[Text] Managua, 6 Jun (DPA)—Nicaragua's currency (the cordoba) was devalued today against the U.S. dollar by 12.63 percent. This devaluation—part of the Nicaraguan Central Bank's weekly policy of readjusting the exchange rate in an effort to "administer the hyperinflation" affecting Nicaragua for the past several years—represents the greatest monetary loss in the last 3 months.

The official exchange rate, which had been established as 8,500 cordobas to the dollar last week, has now been set at 9,500 cordobas to the dollar. In the parallel market, the dollar is bought at 15,500 cordobas and sold at 16,275 cordobas.

The Transportation Ministry immediately announced that prices of cargo and passenger transportation services would increase because of the increase in prices of petroleum derivatives triggered by the Nicaraguan Central Bank's 25th devaluation.

The price of a gallon of gasoline has been set at 17,700 cordobas ($1.86). Diesel will be sold at 11,500 cordobas ($1.21). According to official reports, transportation fares will increase as much as 15 percent.

Markets have also announced an automatic increase in the prices of food. The effect of this increase will be much greater than the effect of previous increases during the last 3 months, a period in which exchange modifications were minimal.

According to calculations by Nicaraguan economists, the devaluations in 1989 thus far total 146 percent.

The government needs $5.2 million to implement a program for economic recovery and to launch periodic readjustments of prices and salaries.

The first reactions observed in Managua's independent media are criticisms of the government decision to devalue.

"The Thought," an influential newscast aired by Radio Noticias, said the application of recovery programs is inconsistent and that the Planning Ministry and the Central Bank contradict each other and damage the economy of the low-income population.

The government, meanwhile, has announced it will increase public employees' salaries 14 percent in June.

Ortega Vows To Continue Giving Land

PA0706222689 Managua Radio Sandino in Spanish 1200 GMT 7 Jun 89

[Statement by President Daniel Ortega Saavedra during ceremony to mark the 10th anniversary of the Masaya uprising, in Masaya, on 6 June—recorded]

[Text] We will continue to give land to peasants. We will continue to give land to Masayan peasants. We will continue to give land to Nicaraguan peasants, until no peasant is without land in Nicaragua. We will not be satisfied until then. As long as there are landless peasants, we cannot be satisfied. We have to find unused land. In Masaya there is little land to give. We have given land to many peasants, hundreds of families, who have benefited from it.

We must find land elsewhere. Wherever, land is fallow, unused, or inefficiently harvested, peasants will have to take ownership and properly exploit it.

PSC, PLIUN Cause Rift in Opposition Alliance

PA0206153489 Managua Radio Sandino in Spanish 1200 GMT 2 Jun 89

[Text] The opposition alliance is disintegrating. The alliance lacks unity, while disrespect and distrust abounds. Despite many attempts to hold talks, the parties belonging to the Group of 15—or rather, the 13 that are left—did not manage to persuade the members of Erick Ramirez' Social Christian Party [PSC] or Eduardo Coronado's Independent Liberal Party of National Unity, PLIUN, to change their positions.

Political leaders who met yesterday at the Social Democratic Party headquarters threatened to expel the two parties from the alliance if they do not change their attitude. The opposition leaders met to examine the PSC's and PLIUN's decision to submit independently a list of candidates to the Supreme Electoral Council.

Filiberto Sarria, a member of Erick Ramirez' PSC, said it is ultimately up to the party's National Directorate to determine whether the party will continue its alliance with the Group of 15 or whether it will run independently. Meanwhile, Constitutionalist Liberal Party member Ernesto Somarriba left the meeting because he felt both groups should be expelled from the alliance for having disrupted the alliance's unity. Both the PSC and the PLIUN have been given until Mon day to change their attitude.

Duilio Baltodano, a member of the Social Christian Unity Party, said Erick Ramirez has violated the agreements recently signed by the Social Christians. Baltodano added that the groups that have decided to submit their own candidates to the Supreme Electoral Council must change their position.

Leaving the meeting of the Group of 15 last night, PSC member Filiberto Sarria said there has never been unity in the group. There has always been disrespect and distrust among the group's members, he observed.

Communist Party leader Eli Altamirano said the Group of 15 is giving the PSC and the PLIUN a chance to stay in the group.

Withdraw From Alliance

PA0706035689 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 6 Jun 89

[Passages within quotation marks recorded]

[Text] The so-called Group of 15 is now the Group of 13, after the PLIUN and Erick Ramirez' PSC left the group. These two parties confirmed they will not withdraw their lists of candidates for the Supreme Electoral Council.

Guillermo Potoy, a spokesman for the former Group of 15, confirmed the withdrawal of the PLIUN and the PSC:

"The now Group of 13 had issued a resolution to the effect that if the PLIUN and the PSC did not withdraw their list of candidates, the united opposition would be left with 13 parties."

The withdrawal of the PSC and the PLIUN damages the much-needed unity of the Group of 13. Potoy said the situation might worsen, but he says he is not concerned:

"Even if anyone else withdraws, this does not mean that the opposition will be divided."

PLIUN and PSC representatives recently pointed out that the dominant position of the 8 extreme-right-wing parties in the Group of 13 has worsened the crisis. The PSC's Dr Julio Ramon Garcia said his party and the PLIUN are being blamed for this situation:

"We believe someone wants to make the PSC, led by Erick Ramirez, the scapegoat for a possible split in opposition unity, which is a fictitious unity."

The parties that broke from what used to be the Group of 15 accused the group's leaders of being political blackmailers and said the group's rules were antidemocratic and oppressive.

4 Opposition Parties Legalized; 1 Denied

PA0706182689 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 6 Jun 89

[Text] The Nicaraguan Supreme Electoral Council [CSE] has granted legal status to four of the five opposition political parties that appealed the previous CSE decision denying them legal status. CSE officials notified the representatives of the five political parties of the new CSE decision tonight.

[Begin CSE President Mariano Fiallos recording] The Central American Integrationist Party represented by Alejandro Perez was denied legal status. The CSE decided unanimously not to grant this party legal status. [end recording]

The parties granted legal status are:
The National Conservative Party of Silviano Matamoros
The Party of National Confidence [Partido de ConfianzaNacional] of Agustin Jarquin
The National Action Party of Eduardo Rivas Gasteazoro
The Liberal Party of Nicaragua of Andres Zuniga.

Conservative Aguero Rocha Returns From Exile

PA0206140889 Managua Radio Sandino in Spanish 1200 GMT 1 Jun 89

[Text] Fernando Aguero Rocha, the notorious Conservative leader, arrived yesterday in Nicaragua. Aguero, who signed the [words indistinct] pact with Somoza, is responsible for the 22 January 1967 massacre. Aguero denied having broken his ties with the contras and

refused to comment on the failure of the contras' military plan. He said there are some fine people among the contras whom he cannot forget, and that is why he has not broken his ties with the mercenary army.

I am here in Nicaragua to promote the unity of the Conservatives and of the entire opposition, Aguero said, although he did not appear too optimistic that he would fulfill his mission. Aguero denied responsibility for the 22 January massacre, even saying he was not sorry he had signed a pact with Somoza. He also rebutted accusations by current opposition leaders about the return of former opposition leaders from exile. Fernando Aguero Rocha stressed that he has not returned to replace anyone but merely to strengthen the opposition struggle.

List of CSE Candidates Sent by Presidency

PA0706221789 Managua Radio Sandino in Spanish 1200 GMT 7 Jun 89

[Text] There is much expectation in the country's political circles because today's session of the National Assembly will discuss the lists of nominees for the Supreme Electoral Council [CSE] sent by the Presidency of the Republic.

Initially, the Assembly's plenum will choose the CSE president and the five main members, plus alternates, who will be sworn in at a later time.

According to the electoral law, two of the five lists of three candidates each will consist of citizens nominated by the opposition parties. The other three lists were compiled by the president himself. Of the three lists, the president sent one naming three candidates for notable citizen [ciudadano notable] of the CSE. This citizen cannot be a member of any party, and there should be no objections to his appointment.

The plenum will also discuss a bill to amend the internal Assembly regulation that concerns the commission on Central American integration and granting legal status to four social organizations.

From the 12-name list sent by the parties comprising the Group of 13 opposition parties, the Presidency included 10 names in the 5 lists of 3 candidates presented to the National Assembly. These lists will be discussed today.

Dr Mariano Fiallos Oyanguren; Rodolfo Arguello Hurtado, Nicaraguan ambassador to France; and Vilma Nunez de Escorcia, president of the National Commission for the Promotion and Protection of Human Rights, were proposed for the post of CSE president.

Aldo Diaz Lacayo, former Nicaraguan ambassador to Venezuela; Leon Ruiz Amador; and Leonel Arguello Ramirez, president of the Nicaraguan Insurance and Reinsurance Institute, were proposed as main members in the second list.

The third list included the following candidates as main CSE members: Carlos Guerra Gallardo, (Aman Sandino Munoz), and (Antonio Laushaw) of the Democratic Conservative Party.

The fourth list included Oscar Herdocia of the National Action Party; Guillermo Selva of the Independent Liberal Party; and Dr Carlos Quinonez of the Group of 13 parties and the independent National Confederation of Professional Associations [CONAPRO].

For the position of notable citizen, the Presidency suggested Dr Rodolfo Sandino Arguello, member of the Supreme Electoral Council prior to the revolutionary victory; Alfonso Moncada, former president of CONAPRO and a member of the Independent Liberal Party of National Unity; known writer Professor Jose Santos Rivera; Ernesto Salazar, a Higher Council of Private Enterprise leader; Nicolas Bolanos, former president of the Federation of Nicaraguan Cattlemen's Association and the Union of Nicaraguan Agricultural-Livestock Producers; and Marvin Ortega, director of the Social Research Institute, who has no party affiliation.

EPS Reports 90 Contra Casualties in May

PA0206161989 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 1 Jun 89

[Text] The EPS killed 40 contras and wounded 50 during several clashes in May. A Defense Ministry report asserts that the counterrevolutionaries carried out 20 terrorist attacks on the civilian population and military targets. The counterrevolutionary attacks killed 6 civilians and wounded 5, while 27 others were kidnapped. These figures include men, women, children, and the elderly.

Also, 41 violations of Nicaraguan airspace were reported during May. The main goal of these flights was to carry out surveillance, as well as provide logistical support to the counterrevolution.

In addition, the Honduran Army harassed border posts in the 1st and 2d Military Regions on five occasions.

During this period the United States also increased its military presence in the region. New troops reinforced the U.S. Southern Command in the Panama Canal area, and joint maneuvers were carried out in Honduran territory. The maneuvers included "Big Pine 89"—whose goal is the construction of a highway between the towns of Pespire and Orocuina—and "Terencio Sierra 89," which began on 7 January and will continue until June.

Contra Leader Killed in Clash With Army

PA0306203389 Managua EL NUEVO DIARIO in Spanish 1 Jun 89 p 12

[Report by M. Castillo]

[Excerpt] Matagalpa—Counterrevolutionary leader Sebastian Munoz Castro, nicknamed El Padron, was killed during a clash with Sandinist troops in Wiliquito, 20 km northeast of Matagalpa.

A military source reported that three other counterrevolutionaries were killed along with El Padron. Their mission was to report on the movements of Sandinist troops and municipal leaders in Rio Blanco and Natiguas.

El Padron was in charge of supplying weapons to the mercenaries operating in the aforementioned municipalities, and he was responsible for many murders during ambushes and other criminal attacks perpetrated by the genocidal contras. [passage omitted]

Teachers Storm Radio Station in Leon

PA0706222989 Managua Radio Catolica in Spanish 1800 GMT 7 Jun 89

[Text] After a meeting yesterday at El Calvario hall, teachers in Leon decided to storm Radio Dario, Leon's most popular and widely heard radio station.

The teachers staged the incident at midday to issue a statement to the people of Leon and the entire western part of the country. They were primarily interested in explaining that they are not being manipulated and are not backed by any political party. The teachers stated that their actions were prompted by their meager salaries.

Panama

Solis Palma To Visit Havana Possibly 9 Jun

PA0806015289 Panama City ACAN in Spanish 2129 GMT 7 Jun 89

[Text] Panama City, 7 Jun (ACAN - EFE)—Diplomatic sources today reported that Manuel Solis Palma, Panamanian minister in charge of the Presidency, will visit Havana, probably Friday [9 June], at the invitation of Cuban President Fidel Castro.

A presidential source confirmed to ACAN-EFE Castro's invitation and Solis Palma's acceptance, but added that a definite date for the visit has not yet been set.

Solis Palma will be accompanied by several members of his Cabinet, including the agricultural development minister.

Over the past few months and because of the deterioration of the relations betwen Panama and the United States, Solis Palma and other Panamanian leaders have stressed the need for this country to "diversify" its international relations.

This will be Solis Palma's fourth trip abroad since he assumed office as minister in charge of the Presidency on 26 February, when then-President Eric Arturo Delvalle was removed by the Legislative Assembly.

Solis Palma went to the United Nations in September 1988, to Venezuela on 1 February to attend the presidential inauguration of Carlos Andres Perez, and to Japan on 21 February for Emperor Hirohito's funeral. Stopping off in Mexico on the latter occasion, he met with President Carlos Salinas de Gortari.

Solis Palma's visit to Cuba will occur when an OAS mission in charge of seeking an understanding between the government and the opposition to solve the crisis caused by the annullment of the 7 May elections is expected to return to Panama.

Soviet Diplomat Visits, Discusses Trade

PA0706190289 Panama City Domestic Service in Spanish 1645 GMT 7 Jun 89

[Text] Yuriy Vislousof, charge d'affaires of the Soviet Embassy in Costa Rica, has said his government is ready to open a trade office in Panama as part of a bilateral agreement. The Soviet diplomat was welcomed by Panamanian Planning and Economic Policy Minister Gustavo Gonzalez. Vislousof expressed his interest in implementing the bilateral agreements signed in October 1979, which include the opening of consulates in the two countries.

Gonzalez told Vislousof that the Panamanian Government will soon appoint its trade official to Moscow in fulfillment of the trade protocols ratified by the Panamanian Legislative Assembly this year. Gonzalez added that as a result of the bilateral agreement, Panama will receive machinery, fertilizers, oil byproducts, medical-surgical equipment, medicine, and tools from the Soviet Union.

Panama presently imports vehicles, clocks, and [word indistinct], among other things, from the Soviet Union. According to various Panamanian economists, once the bilateral agreement is put into proper form, the range of trade exchange with the Soviet Union could be expanded.

Visits Health Minister

PA0806031989 Panama City Televisora Nacional in Spanish 2300 GMT 7 Jun 89

[Text] Yuriy Vislousof, charge d'affaires of the Soviet Embassy in Costa Rica, has paid a protocol visit to Health Minister Francisco Sanchez Cardenas to learn our country's needs and potentials in terms of health.

Vislousof is visiting Panama with the hope of achieving a rapprochement that will facilitate trade between the two countries. During this meeting, the health minister voiced his satisfaction with the health conditions that have been attained. He said that because of the U.S. economic blockade, Panama has opened its doors to relations with all countries of the world.

Foreign Minister Ritter Addresses OAS

PA0706145289 Panama City Domestic Service in Spanish 1135 GMT 7 Jun 89

[Speech by Foreign Minister Jorge Ritter at the 21st OAS ministerial meeting in Washington on 6 June—recorded]

[Text] Mr President: Allow me to join the voices of those who have already expressed their satisfaction with the way in which you have conducted our debates. Allow me also to thank Nicaraguan Foreign Minister Miguel D'Escoto for the detailed report he presented on the attacks to which Panama has been subjected and on the violations of the Panama Canal Treaties. I would also like to thank the distinguished Mexican foreign minister for his observations, which I feel clarify and define the framework of this meeting.

I also want to contribute toward clarifying the Panamanian situation. When studying the Panamanian problem—or, to cite the term used at this meeting: the serious Panamanian crisis—in the international sphere, many omit some international factors and emphasize issues that belong in the Panamanian domestic sphere.

When we discuss international factors we must talk about a country that cannot conduct a normal democratic process because its funds have been arbitrarily frozen and it is continuously threatened by the use of force. It is not necessary to reiterate all the details, because the U.S. press itself has accounted for the threatening and harassing presence of U.S. military forces in our country.

On many occasions during our discussions we have forgotten to point out that 2,000 U.S. soldiers were sent to Panama to join those already stationed there. That deployment of troops is an open violation of the Panama Canal Treaties. We have also forgotten to mention that the Panamanian civilian population is permanently frightened by the presence of planes, tanks, helicopters, and troops in our streets and airspace.

Sometimes when people speak about the need to honor the Panama Canal Treaties, they forget to say that those treaties are constantly and permanently violated. Nothing, nothing excuses the violation of those treaties.

I am not going to make a detailed explanation here of each of those violations, because I am not going to abuse the patience of the foreign ministers. However, I do want to point out that for the past 16 months, Panama has not received one single penny of what it is owed according to the Panama Canal treaties; that taxes are being illegally withheld from the salaries of the Panama Canal employees but are not being paid to Panama; that there have been recent statements to the effect that in 1990 there will not be a Panamanian administrator, which the Panama Canal treaties specify.

Mr President: This same room where we meet today was the site 12 years ago of the signing of those treaties. Every time we speak of the international context of the Panamanian crisis we must refer to those treaties, which are—I repeat—being violated. I will not repeat or quote the articles from the OAS Charter that are constantly and permanently violated, to the extent that many actions taking place in Panama violate the charter under which we are meeting today. I would have to read practically the entire charter to point out the many violations committed against Panama.

I also want to point out and reiterate Panama's commitment to observation of the principle of nonintervention in the domestic affairs of a state. I also want to point out categorically that an overall, true, and lasting solution to the Panama crisis cannot come about unless the coercive measures, the military and political threats, and the economic aggression against Panama come to an end.

Distinguished ministers: This is not an issue only of an election struggle between two groups of parties. This is also a matter of the defense of those treaties and the defense of the sovereignty of Panama.

We also hope that when a solution is reached, which we hope will be soon, all foreign factors aggravating the conflict in Panama will be eliminated. Such meddling is the main cause, the most significant cause, of the crisis Panama is enduring.

Mr President, I want to take this opportunity to reiterate that Panama's international conduct has always been to respectfully abide by international laws and has been one of good faith in its relations with nations. Within this context, Panama opened its doors to the mission that, in fulfillment of the mandate given by this consultation meeting, recently visited Panama. I want to take this opportunity to thank those who have expressed their solidarity and appreciation for the way the three foreign ministers and the OAS secretary general were treated in Panama. This was the case because we recognize that if all well-intended efforts and actions are conducted objectively and in good faith, they may bring some rapprochement among the parties in conflict and at the same time allow the OAS to perceive directly the levels of the foreign military threat to Panamanians and the devastating effects of the coercive economic measures imposed on our country.

Mr President, allow me to conclude by pointing out that Panama has been violently attacked and constantly threatened with the use of military force; its economy has been destroyed; its institutions destabilized; and its society divided. Despite this aggression, and fully aware of the meaning this has for the region, Panama remains open to dialogue, faithfully supporting the principle of peaceful solution to conflicts but unyielding in the defense of national sovereignty and respect for the principle of nonintervention by foreigners in its internal affairs.

Thank you very much, Mr President.

Delvalle Sends Letter to OAS on Noriega

PA0706020389 Madrid EFE in Spanish 2004 GMT 6 Jun 89

[Text] Washington, 6 Jun (EFE)—Eric Arturo Delvalle, recognized as Panamanian president only by the United States, today asked the hemispheric presidents not to allow the meeting of the OAS "to end with an announcement that will only be the epitaph of the inter-American system."

In the letter Delvalle refers in strong terms to General Manuel Antonio Noriega, whom Delvalle attempted to remove in March 1988, losing his own position in the process. Delvalle stated that the consultative meeting is taking place "after what appears to have been a futile effort to obtain a positive solution to the Panamanian crisis."

Delvalle, whom Noriega placed in power to replace President Nicolas Ardito Barletta, states in this letter that "as president, statesman, and citizen of a freedom-loving American country committed to democracy," I hope that today's conference will be positive and not write the epitaph of the inter-American system "or of peace and progress."

"It is imperative to the health of American countries that the meeting result in positive action and be an effective warning to any unscrupulous adventurer who seeks political power exclusively for his own benefit," the letter added.

The letter also states that "the negative result" of efforts entrusted to the foreign ministers of Trinidad and Tobago, Ecuador, and Guatemala was to be expected. The foreign ministers will submit a report on the Panamanian situation in Washington today, if the announced extension is not approved.

The politician asserted that he had anticipated the mission's failure, "because the inter-American system and principles on which they are based are not facing a typical totalitarian ruler thirsting for power, but a discredited soldier."

Ford 'Extremely Disappointed' at OAS Extension

PA0706182889 Panama City ACAN in Spanish 1709 GMT 7 Jun 89

[Text] Panama City, 7 Jun (ACAN - EFE)—Panamanian opposition leader Guillermo Ford said today he is "extremely disappointed with the OAS decision to extend for such a long time the mandate" of the mission charged with promoting "formulas of agreement" to solve the Panamanian political crisis.

Referring to the extension of the mission's mandate until 19 July, approved yesterday by the OAS foreign ministers, Ford, the opposition's second vice presidential candidate in the annulled 7 May elections, said: "The extension is too long."

Ford told ACAN-EFE: "If we were to hold a first-rate dialogue with those who hold power in Panama, the Panama Defense Forces, I am sure we would find a solution in 24 hours. We would not need 6 weeks, which is an extremely long time considering the anguish our people are experiencing."

Ford, however, asserted that the opposition "will respect" the OAS decision.

PDT President on Junta, PRD 'Problems'

PA0606190789 Panama City Circuito RPC Television in Spanish 2300 GMT 5 Jun 89

[Statement by Democratic Workers Party (PDT) President Eduardo Rios; date and place not given—recorded]

[Text] We have been basically studying two things: First, we have discussed the way in which we could fill the government vacuum that will exist as of 1 September. We wanted to find a formula to solve that problem. We believe such a formula would lead us to a call for direct elections. However, we believe there must be much more control during the new elections than there was the last time. Second, we have talked about the kind of government Panama needs during this transition period, between now and 1 September.

Concerning the first point, we reached a majority agreement among the National Liberation Coalition [COLINA] parties. We supported the creation of a provisional government junta as of 1 September, but with the participation of the opposition. However, we did not establish which of the three participating sectors—the government, the Panama Defense Forces, and the opposition—would occupy the first, second, and third positions in that junta. We plan to discuss that at other meetings, because ours was only a proposal presented by the eight COLINA parties to the other sectors, which are also seeking a solution to the country's problem.

We did not discuss the second point, because the Democratic Revolutionary Party [PRD] and the Liberal Party withdrew from the meeting. As a result, we agreed only on proposing the formation of a provisional government junta and a constituent assembly to be inaugurated on 15 September. That assembly would comprise four representatives of each of the parties [not further specified]. This is what we approved at the meeting.

We definitely did not approve the proposals my party presented. My party proposed something different, but we definitely bowed to the opinion of the majority of the COLINA parties.

We think this country would neither tolerate nor bear a military junta. I believe that is a dream. That cannot exist in this country.

The PRD has many problems. I really do not know why they call the PRD a majority party. I do not know. That party has many problems. The PRD has the government machinery in its hands, and they must relinquish it 3 months. The PRD members are concerned, because the solution to the problem has to be negotiated with 12 other political parties, which implies that the PRD will not have the political clout they have been struggling for all these years. That is part of the PRD members' concern.

I believe that is what keeps the PRD from participating in multiparty negotiations, in which each party will cast one vote and there will be no way to impose one party's will. That is the PRD's problem within COLINA. I believe the PRD's problem is even worse when it comes to negotiating with the opposition. That is the PRD's problem. The fact that the PRD presently has the power is creating problems and promoting an impasse in the negotiations.

PRD Legislators Discuss Political Situation

PA0706172389 Panama City Domestic Service in Spanish 1100 GMT 7 Jun 89

[Text] National Executive Committee and Democratic Revolutionary Party, PRD, legislators met yesterday to discuss the country's political situation, the PRD initiatives for resolving the crisis, and the role of the Panamanian Legislative Assembly in the near term.

The meeting, which lasted several hours and was attended by most of the PRD legislators, served as a framework for establishing working formulas and methods to help make legislative activity more effective. The participants also discussed yesterday's OAS meeting and the actions that should be carried out concerning the OAS' decision [to extend until 19 July the term of the OAS conciliation delegation that visited Panama].

PRD President Carlos Duque Jaen presided over the meeting. Also in attendance were Pedro Pereira, first assistant secretary general; Gustavo Melgar, second assistant secretary general; Diomedes Concepcion, national executive secretary; and Legislator Celso Gustavo Carrizo, president of the Legislative Assembly.

The legislators expressed their views regarding a report presented by the PRD national leadership, and they said that constant communication must be maintained to discuss issues in an effective and coordinated manner to guarantee better days for the country.

McGrath on Measures Against Critics

PA0706225989 Panama City Telemetro Television in Spanish 2300 GMT 6 Jun 89

[Text] Panamanian Archbishop Msgr Marcos Gregorio McGrath has discussed possible solutions to the Panamanian crisis. He opposes the creation of a military government junta and warned about sanctions that the Catholic Church might apply to those who threaten and slander it.

[Begin McGrath recording] Concerning political solutions, right now everyone is watching the OAS. We do not know what the results will be. Obviously the OAS is not empowered to solve the current situation by itself, but I understand it will make recommendations to the member countries. I said at the outset that I believe the elections were decisive and should be recognized. That is the normal and natural way. We did not like their being annulled, because the entire period of people's confidence in the elections and their annullment a few days later was enough to shatter the people's spirit and destroy all faith in future elections. However, experts in the matter have told me that when the elections were annulled for the reasons alleged, a date should have been established for future elections. This should not have been left in the air. I believe that the Panama Electoral Tribunal [TEP] must set a new date to complete its task. Then we will see how the opposition reacts, but at least the TEP will have completed its task.

Hopefully, the other solution—a military government junta, as was mentioned by General Noriega's political adviser and reiterated later in progovernment newspaper columns—will not materialize. I say this for many reasons; among others because it would be very difficult for this country to survive if the lack of international confidence in the banking sector and the country's economy continues. It would further reduce the confidence that the Latin American community might have in our nation and limit all the help that we need. This involves not only the soldiers and politicians. It involves such a drastic drop in the economy that we will have to begin rebuilding. [end recording]

Msgr McGrath also referred to attacks against members of the Catholic Church.

[Begin recording] There have been injustices, slanders, and lies, which the Catholic Church simply does not accept. I have received many letters stating positions, beginning with the papal nuncio and other bishops, and the protest letters continue to pour in. It has gotten to the point that a note from the nunciature has suggested that some sort of ecclesiastic sanction be applied to persons who write in this manner, for example excommunication. [end recording]

Columnist Says Church 'Biased' for Opposition

PA0606230289 Panama City CRITICA in Spanish 6 Jun 89 p 4

["Political Coliseum" column by Baltazar Renan Aizpurua: "Excommunicate...Me?"]

[Text] Last Sunday, during Mass at the Cristo Rey church, a hypocrite feigning virtue by cloaking himself in a cassock had the nerve to condemn those of us who have censored the Panamanian Catholic Church leadership for its antipatriotic attitude and for its bias toward the rich and powerful.

This is not the first time a false preacher of Christian doctrine has meddled in the nation's political affairs or committed the indiscretion of attacking Panamanian journalists from the pulpit. On this occasion, however, the Spanish fascist named Xavier Villanueva went too far, saying we are "men of low morals." I wish to publicly challenge this slanderer—just as I have challenged his boss, Marcos Gregorio McGrath—to prove that I have "low morals." If his statement were actually meant as a play on words, let me just say that my morale is very high when it comes to defending my homeland. I want to add that I am not a man of "low morals." My life, in private and in public, bears witness to this fact. I am proud of my honesty; it was the only legacy I inherited from my father, and I consider it sacred. I can scream this in these false prophets' faces, for I do not live in a glass house and can, therefore, throw as many stones as I want.

I have criticized the Catholic hierarchy, above all, for its active and direct participation in organizing seditious activities against the established powers. The church hierarchy's degree of bias has reached such an extreme that it has appointed Father Fernando Guardia—who apparently took a course in the Philippines—as its representative in the "Civic Crusade." Everyone remembers McGrath's support for the repeated lies of the petty traitor Melanio Diaz Herrera. Everyone recalls that a group of bishops recognized the traitor "Tuturo" Delvalle as "president." Everyone remembers hearing homilies that criticized the national government, the soldiers—who have chosen to fight for national liberation—and the people's forces, while cunningly hiding the genocide waged against our country by the United States.

I had only the nation's best interests in mind when I pointed out that these men, who boast of being shepherds of souls, are walking down the wrong path. My motivations were not at all personal. Furthermore, I do not consider the passion in my criticism in any way demeaning. I will always consider it an honor, not a disgrace, to defend my homeland.

The arrogant Xavier Villanueva "eats saints and shits the devil." When he stands at the pulpit, he is caught in the wrong timeframe and the wrong dimension. He must surely long for the days of the Inquisition and would love to send all Panamanian patriots to die at the stake. He threatens us with excommunication after casting damnations on us.

I wish to confess publicly—as I will never confess to any man who has tarnished Christian doctrine—that I cannot be excommunicated from the Catholic Church. When I was merely 10 years old, I witnessed the excesses of a presbytery in Concepcion, Bugaba, Chiriqui. A Spanish priest, whom I remember only by his last name, Garcia, was the leader of this debauchery, in which several landowners and political chieftains in the village also participated. Several months later, the priest disappeared with a married woman, leaving behind nothing but a pair of slippers at the presbytery. To coin a phrase, he had taken the money and run. Since that time I have completely lost faith in priests. I must admit, however, that I later met priests who are true pillars of the Catholic Church, such as [former Panama Archbishop] Msgr Tomas A. Clavel. Furthermore, I have great admiration for Christ, who threw the merchants and pharisees out of the temple. I also greatly admire Camilo Torres and Martin Laviana, who sacrificed the temples of their bodies for the freedom of the Latin American people, just as Father Miguel Hidalgo y Costilla and Father Jose Maria Morelos did. How then, my esteemed church leaders, can you cast me out of a flock to which I do not belong?

As for not being buried "in holy ground", let me tell you, in all honesty, that I could not care less where my mortal remains end up. I firmly believe that a man's physical body serves only to house a superior and universal spiritual being. Besides, I strongly doubt my mortal remains will be buried at the "Peace Garden" [local cemetery]. People must pay a great deal of money to be buried there, and I would never allow my family to make such a sacrifice.

PRD Leader on Cancellation of Noriega Dinner

PA0706044789 Panama City Circuito RPC Television in Spanish 2300 GMT 6 Jun 89

[Text] Democratic Revolutionary Party [PRD] leader Mario Rognoni has stated that his party, as a popular party, continues to consult on and consider several political options on how to overcome the current crisis.

[Begin Rognoni recording] We have to understand that to overcome the crisis it is necessary to reach a grand national agreement that would include the opposition, the government, independent groups, associations, and labor unions: everybody. Any other alternative, especially alternatives by which small parties are claiming to be the equals of large parties and alternatives that do not take into account the problems that really led to the current crisis, are fallacies. This is why the PRD has not continued its dialogue with the other National Liberation Coalition parties, instead keeping in continuous touch with the rank and file and with the Panamanian

people in an effort to find a conciliatory formula, a rapprochement as the OAS calls it, with the participation of the two large elections forces: the opposition and the government parties.

I believe that what some people are doing is taking an inventory of options. There is the option of maintaining the current Legislative Assembly, which does not now have popular support; the option of a legislative commission; the option of creating, based on common agreement resulting from a grand national pact, an assembly; and the option of governing by decree, where a consultative junta would make legislative recommendations to a cabinet. I imagine that other persons have other options in mind.

We have to remember that as of 1 September, we will be out of the constitutional framework because of the annulled elections. [end recording]

Concerning the postponement of a dinner that a group of businessmen had planned to hold for General Manuel Antonio Noriega, Rognoni said:

[Begin recording] The degree of expectation concerning what the general could possibly say at the meeting he was to hold with businessmen last night reached such levels that the plans unravelled. The plans called for a get-together of the businessman who support Noriega and the Defense Forces staff so that the businessmen could express their concerns and support for the commander. However, news about the event was twisted, and it was said that the general was going to make important statements that could have an effect on the Panamanian mission at today's OAS meeting or on the political options for a solution.

This is why it was decided not to hold the event. We will have the get-together later, and it will be what it was meant to be—an exchange of opinions between businessmen and the commander. [end recording]

Endara's Wife Dies of Heart Attack 6 June
PA0706152189 Panama City LA ESTRELLA DE PANAMA in Spanish 7 Jun 89 p 1

[Text] Mrs Marcela Cambra de Endara, wife of Guillermo Endara Galimany, presidential candidate of the Civic Democratic Opposition Alliance, died suddenly yesterday afternoon of a heart attack at her home. Her funeral will be tomorrow, Thursday. LA ESTRELLA DE PANAMA, which has always considered the Endara-Cambra family among its friends, feels a great sense of loss and expresses to Mr Endara and his children, Javier Yap and Marcelita Endara de Yap, and grandchild, Javier Guillermo Yap Endara, its most heartfelt condolences at this time of sorrow.

CONEP Postpones Dinner for Endara
PA0706165189 Panama City LA ESTRELLA DE PANAMA in Spanish 7 Jun 89 p 1

[Text] The dinner planned by the National Council of Private Enterprise (CONEP), its board of directors, and former presidents for the Civic Democratic Opposition Alliance [ADOC] tomorrow has been postponed.

LA ESTRELLA DE PANAMA has been told that CONEP will meet next week to set a new date for the event.

According to a CONEP spokesman, the event was to be a "dinner in honor of the president and vice president elected by the people's will."

ADOC presidential candidate Guillermo Endara Galimany, first vice presidential candidate Ricardo Arias Calderon, and second vice presidential candidate Guillermo Ford had been invited to the dinner.

New Panama Province Governor Appointed
PA0606232889 Panama City CRITICA in Spanish 6 Jun 89 pp 1, 18

[Summary] Carlos de Sedas, former government and justice minister and former health minister, has been appointed through Executive Branch Decree No 30 of 5 June the new governor of Panama Province.

Argentina

Minister-Designate on Menem's Early Inauguration

PY0706184089 Buenos Aires Domestic Service in Spanish 1600 GMT 7 Jun 89

[Text] Eduardo Bauza, the future interior minister, has confirmed that a round of talks will be held next week to discuss an early transfer of power, an issue on which there should be news in no more than 2 weeks.

Deputy Bauza said it is possible that the presidential succession will take place before 10 December, although he did not give a date.

Asked when Menem would be in a position to assume power, Bauza said that all the arrangements will not take more than 30 days.

Later, the future interior minister said that it will be a matter of reaching an agreement on the date on which we will actually give the Argentine people a possibility to hope for [word indistinct] the current situation.

Interior Minister Bans 9 June Protest March

PY0706040089 Buenos Aires TELAM in Spanish 0119 GMT 7 Jun 89

[Text] Buenos Aires, 6 Jun (TELAM)—Interior Minister Juan Carlos Pugliese today announced that a march organized for 9 June by leftist parties and student and human rights organizations to protest the state of siege "will be prevented."

In a news conference, Pugliese urged the people "not to follow those prophets of disorder" who, he said, "represent less than 3 percent of the voters who went to the polls on 14 May."

"They make it look as though the petition to end the state of siege is being addressed to a dictatorship that has forcefully imposed such a measure," Pugliese said. He added that the measure was approved in Congress "by those who 20 days ago obtained 92 percent of the votes."

Pugliese stated that "one can no longer use those procedures used against the dictatorship because this is a democratic government that has guaranteed unrestricted freedom of expression."

Pugliese stated that "the state of siege is in practice being administered by the courts, not by the government or the Interior Ministry." He added: "It is not a dictatorial government which is now preventing street disorders, but the true majority of the people who approved this emergency measure, not to repress anyone but to safeguard order."

Speaking to newsmen at the Trophy Room of the Interior Ministry, Pugliese said: "We will try to dissuade the organizers and to prevent a rally organized for tomorrow by high school students to demand special bus fares."

In this regard, Pugliese made "a call to these students to refrain from carrying out an action forbidden under the state of siege, and instead to submit petitions to the appropriate organizations to vote on the student ticket bill proposed by Jesus Rodriguez. This bill has already been approved by the Chamber of Deputies." Rodriguez is the current economy minister.

Pugliese said that the student ticket "is practically a fact in Buenos Aires subways." He said that "claims, which sould not be made through rallies or marches, are being met through regular channels."

Commenting on the recent acts of violence, he said that at present "complete calm prevails in the country. This calm is not being disrupted by isolated, minor incidents taking place in some areas." He added: "At this time we do not have the impression that similar incidents could occur again in the same places, but it would be naive not to admit that there is an atmosphere of fear and tension."

Pugliese contended that "there was a well-organized, major psychological action." As an example, he cited that happened in Jujuy, "where disturbances that followed a soccer game played by Atletico Ledesma were made to appear as lootings, something that never happened."

Going back to the subject of the march organized for 9 June by leftist and other organizations, Pugliese said that "these are demonstrations by extremists who do not deceive anyone and who do not represent anyone." He added: "They are seeking to take advantage of our unfortunately serious economic situation to promote destructive actions."

Pugliese said: "Leaders of slum areas themselves have stated that they do not want to be manipulated for political purposes by engaging in acts of violence. This is our real country."

Pugliese then urged the march organizers "to take a look at what is happening in those countries they admire, at how students are being repressed, and at the type of paradise they want to establish here."

At this point, Pugliese asked: "What moral authority do they have to speak of widespread repression under a state of siege that is being administered by the courts?" Regarding arrests made under the state of siege, he said that "the Interior Ministry has made very few arrests" and that these arrests are made at the request of the respective governors "based on reports outlining legal grounds for arrests submitted to the Interior Ministry."

In reply to a question, Pugliese said he intends to meet with the interior minister-designate, Edgardo Bauza, "to give him all information he needs regarding the running of the ministry." He added that the subject of an early inauguration "was not discussed" in his ministry. He said: "This is also part of a psychological campaign

because it is claimed that the country's problems will be resolved as soon as the outgoing government departs. This expectation is the worst thing that can happen to the incoming government."

Menem Designates Triaca as Future Labor Minister

PY0706140689 Buenos Aires TELAM in Spanish 0209 GMT 6 Jun 89

[Excerpt] La Rioja, 6 Jun (TELAM)—President-elect Carlos Menem has announced in a news conference that he appointed Alberto Jorge Triaca, a plastic industry union leader, as future labor minister.

Regarding Mendoza Governor Jose Bordon's refusal to become public works minister, Menem said that Bordon declined the offer because he "favors a methodology different than mine." [passage omitted]

Future Minister Wants Debt Reclassification

PY0706164889 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1230 GMT 7 Jun 89

[Excerpts] Buenos Aires, 7 Jun (NA)—The future foreign minister, Domingo Cavallo, has said that he will hold negotiations abroad to have the Argentine foreign debt declared as value impaired, in such a way that in the United States the declaration will not affect Argentina, particularly its private sector. [passage omitted]

Cavallo said that "the incumbent and incoming governments should jointly conduct negotiations with creditor organizations, but we will have to present a definite plan on how we will deal with the situation. Although we are working on a plan to be implemented, we still need to know what the political conditions will be at the time of its implementation."

The foreign minister nominee revealed that "we have already made contacts over the phone with international organizations, including the agency that establishes regulations for cases like this. We have tried to have the value impaired classification restricted to the public sector financial debt, so that it will not affect the private sector." [passage omitted]

Government Increases Bus Fares 35 Percent

PY0806022589 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2230 GMT 7 Jun 89

[Text] Buenos Aires, 7 Jun (NA)—Bus fares will go up 35 percent as of 0000 [0300 GMT] tonight [8 June]; the cheapest fare will be 11 australes.

The Argentine Federation of Automotive Passenger Carriers (FATAP) is still analyzing the stance it will adopt regarding the government-ordered increase.

FATAP businessmen have told NOTICIAS ARGENTINAS, however, that bus service will be suspended at least from 2100 tonight to 0500 tomorrow.

27 Percent Fuel Price Hikes Announced

PY0806032789 Buenos Aires DYN in Spanish 1956 GMT 7 Jun 89

[Text] Buenos Aires, 7 Jun (DYN)—The price of fuels has been increased by some 27 percent and premium gasoline will cost 28.60 australes per liter.

The new prices will go into effect as of 0000 [0300 GMT]. Premium gasoline will cost 28.60 australes per liter, which is an increase of 30 percent, while regular gasoline will cost 23.60 australes, a 27.6-percent increase.

These increases were announced by the Energy Secretariat, which added that kerosene will cost 12.30 australes per liter beginning tomorrow, while gas oil will cost 16.80 australes per liter, and diesel oil 9 australes.

The cost of cooking gas will increase by 27.5 percent and will cost 13.13 australes per cubic meter.

Consumer Price Index Jumps 78.5 Percent in May

PY0806033389 Buenos Aires Domestic Service in Spanish 0200 GMT 8 Jun 89

[Excerpt] According to the INDEC [National Institute of Statistics and Census], the Consumer Price Index increased by 78.5 percent during May. Wholesale prices increased by 103.7 percent and construction costs by 107.1 percent.

The data was collected in Greater Buenos Aires and nearby towns. The INDEC also said that retail prices increased by 232.4 percent during the first 5 months of the year. [passage omitted]

Bolivia

ADN Does Not Discard Coalition Government

PY0706183389 La Paz PRESENCIA in Spanish 3 Jun 89 p 5

[Text] The Nationalist Democratic Action (ADN) does not discard the possibility of a coalition government in order to maintain the country's economic stability, and above all to preserve the democratic process.

Guillermo Fortun, ADN deputy chief, yesterday said that so far no agreement has been reached with the Movement of the Revolutionary Left (MIR) to form a coalition government.

He explained that they have agreed to check the ballots and that this agreement concluded when the congressmen were granted their credentials.

However, he did not disregard the possibility of a meeting between Hugo Banzer Suarez and Jaime Paz Zamora "to find a solution to the nomination of a president on 6 August."

Fortun added that no "date or time" has been established for the meeting which he believes is "necessary if we are to seek to strengthen the democratic process."

Asked if the ADN already had the MIR votes, and thus the mandate to make Banzer constitutional president, Fortun categorically denied it. He said: "NO. I believe this is just press speculation. We handled our relationship with MIR clearly and responsibly. We had an agreement, and we have fulfilled it."

Fortun said that the only condition of his party for an eventual alliance or agreement is the fulfillment of the slogan: "Banzer for president." He said: "Everything else is negotiable. Everything from there down is negotiable."

Regarding the possibility of a coalition government Fortun said: "We will have a coalition government if it is necessary for the political stability of the country or to strengthen the democratic process, and through this to achieve the economic, political, and social development of the country."

MIR Proposes National Unity Government

PY0706035589 Buenos Aires TELAM in Spanish 2029 GMT 6 Jun 89

[Text] La Paz, 6 Jun (TELAM-DPA)—The social democratic Movement of the Revolutionary Left (MIR) today proposed the discussion of a program to create a government of national unity in Bolivia. The proposal was voiced by MIR presidential candidate Jaime Paz Zamora, who held a news conference with international media in La Paz. During the conference, Zamora commented on the MIR plan aimed at negotiating with the rightist National Democratic Action (ADN), despite their past differences.

Referring to the 7 years of dictatorship under General Hugo Banzer Suarez, Paz Zamora said: "The past must be forgotten." Paz Zamora accepted the possibility of negotiating with the ruling Nationalist Revolutionary Movement (MNR), whose presidential candidate Gonzalo Sanchez de Lozada proposed "direct negotiations with Banzer Suarez and Paz Zamora."

In Paz Zamora's opinion, "the MNR-ADN decision to split the Pact for Democracy has changed the Bolivian political scenario, and allowed the MIR to adopt a strategy to govern the country." Paz Zamora added: "The people have asked us to hold talks with all sectors of society, and this is why three parties have received a similar number of votes. The 21st-century democracy is characterized by negotiations, not hegemony. The MIR is ready to negotiate with all sectors of society."

"None of the Bolivian parties can govern alone because none has obtained a majority of the votes. Two parties cannot govern the country; three parties sharing the government would be good. The ideal, however, would be to have the five most popular parties represented in the Congress," Paz Zamora stressed.

The three parties that received the majority of votes have announced that they may give up their candidates to prevent complications in the democratic process being experienced in Bolivia and to prevent the establishment of a provisional government that might seriously affect the current economic stability.

The Supreme Court still has not answered the ruling party's request to nullify the elections. The MIR, however, may withdraw the request if negotiations with other parties are successful. These negotiations are indispensable because no candidate obtained an absolute majority of votes and the new president and vice president will be elected by Congress. The elections can only be constitutionally valid if 79 members of the Congress approve them.

Although Congress will not meet until 2 August, the Bolivian people and officials hope negotiations between the winning parties succeed this month and thereby prevent the destabilization of the national economy.

Defense Minister Denies Shining Path Activities

PY0706160789 La Paz La Red Panamericana in Spanish 1130 GMT 7 Jun 89

[Text] Defense Minister Alfonso Revollo has said that neither the Shining Path nor any other subversive group is conducting activities in Bolivia.

He added that his ministry and the Armed Forces are trying to reinforce the borders by constructing sensitive infrastructure, such as the (Ayacachi and Apolo) projects, in populated areas.

Regarding the murder of two U.S. missionaries, he said that an investigation is being carried out to find out if subversive elements are responsible for the murder.

[Begin Revollo recording] I would like to reiterate that neither the Shining Path nor any other subversive group is conducting activities in Bolivia. The Interior Ministry and the police are investigating to see if an irregular group is responsible for the murder of the two U.S. missionaries. [end recording]

Revollo concluded by saying that all the activities of the Armed Forces are routine and in strict compliance with the Constitution.

Plane Lands in Havana Due to Bomb Threat

PY0706142689 Madrid EFE in Spanish 1410 GMT 7 Jun 89

[Text] Havana, 7 Jun (EFE)—Official sources have reported that a Bolivian plane was forced to land in Havana because of a bomb threat.

The pilot of the plane on the Miami-Panama-Santa Cruz route was warned by the Miami airport control tower that a bomb might be a board the plane.

The "Lloyd Bolivian Airline (LAB) 727-200 Boeing" arrived at the Havana airport at 0405 GMT, where it was checked by Cuban experts, who reported that there were no explosives aboard.

Coca Growing Reported in National Park

PY0706191589 La Paz PRESENCIA in Spanish 3 Jun 89, Section 2, p 2

[Excerpts] Cochabamba, Jun—There are more than 5,000 hectares of coca being grown in the Isidoro-Secure National Park, where cocaine factories and the depredation of natural resources has also increased.

This information was given to PRESENCIA by Guillermo Holters Nogales, executive director of the Cochabamba Alternative Development Program, who said that the situation is "a very difficult problem to solve." [passage omitted]

He explained that the state is not "running" the park and that although it is prohibited for people to settle in the park, there are 3,000 to 4,000 families, representing about 14,000 people, occupying an area of between 45,000 to 50,000 hectares.

He added that the park was originally about 1.2 million hectares but his area has been considerably reduced because peasants are occupying at least 5 percent of the national park.

Hotels expressed concern over the illegal occupation because it is creating social, economic and even political problems which cannot be disregarded. He said that adequate measures should be taken.

Minister Says Coca Eradication To Start

PY0706143289 La Paz La Red Panamericana in Spanish 1130 GMT 7 Jun 89

[Text] Agriculture Minister Jose Guillermo Justiniano has said that once the term for the voluntary replacement of coca is over, on 23 July 1989, the plan for the forced eradication of coca will be implemented.

Justiniano met with coca producers, who told the minister that they oppose the eradication plan and the use of herbicides. The producers requested gradual replacement, economic compensation, and financial credits for rural development.

It has also been learned that special brigades of the Argriculture and Interior Ministries will carry out the coca eradication plan. Justiniano added that there is an urgent need to implement the Coca and Dangerous Substances Law, which establishes the legal zones for coca production for traditional consumption. Those zones are in Chapare and Yungas.

Justiniano also said that coca growing is increasing and that the coca grown in illegal zones will be eradicated by force. The law for the eradication of coca will go into effect on 23 July; that is 14 days before the end of the Victor Paz Estenssoro administration.

Coca Growers Oppose Plan

PY0706150689 La Paz La Red Panamericana in Spanish 1130 GMT 7 Jun 89

[Excerpts] Eva Morales, leader of the Special Federation of Coca Growers of the Cochabamba Tropical Region, has said that the federation has 7,000 members representing 15,000 people who are willing to defend their land in Chimore and Cejore, Chapare Region.

Morales made this comment in answer to the official statement that the government will eradicate coca by force because it has commitments to do so.

National coca growers submitted to the government a new agenda for discussion as a last effort to reach a peaceful solution. Morales expressed hope that a new round of negotiations will be held. [passage omitted]

The Bolivian Labor Confederation expressed its support for coca growers and called on the government to find a solution to this problem in order to avoid a possible confrontation.

January-May Accumulated Inflation Reported

PY0706184289 La Paz PRESENCIA in Spanish 3 Jun 89 p 4

[All figures as published]

[Summary] The National Statistics Institute has reported that the accumulated inflation rate for the first 5 months of this year is 2.64 percent. From January through May, the monthly inflation rate has successively been 0.48 percent, 0.55 percent, 0.84 percent, 0.11 percent, and 0.64 percent. Inflation in Bolivia is measured by the monthly average price of 161 goods and services consumed in La Paz and El Alto.

Brazil

Official Rejects Rumors of Debt Moratorium

PY0806014489 Brasilia Domestic Service in Portuguese 2200 GMT 7 Jun 89

[By Gustavo Mariani]

[Text] The Brazilian Government and the IMF will begin talks in Brasilia tomorrow to discuss the Brazilian Government's economic program for 1989. The measures to readjust the Summer Plan and the effect of these measures on the public deficit and on the success in controlling inflation will be the highlight of the government-IMF talks, Sergio Amaral, head of the Finance Ministry International Affairs Department, has said. He denied that Brazil is preparing a new debt moratorium.

[Begin Amaral recording] This rumor makes no sense whatsoever, because our reserves are currently at an appropriate level, and the government is not even considering the possibility of declaring a moratorium. The government is more interested in reaching an agreement with the IMF, and thus obtaining some $800 million in funds this year. Obtaining these funds would open the doors to new resources, which are necessary for the country. The World Bank sectorial loans, the third installment of the agreement made with private banks, and the loans already agreed upon with the Japanese Government are samples of these new funds. [end recording]

Amaral does not believe that the negotiations with the IMF will be influenced by the fact that the Sarney administration is nearing the end of its term in office. Amaral said that during the talks, the government and the IMF will discuss only the commitments the Planalto Palace is sure to be able to fulfill.

Portuguese Minister Seeks 'Joint Ventures'

PY0806024589 Rio de Janeiro O GLOBO in Portuguese 7 Jun 89 p 26

[Text] Sao Paulo—Portuguese Industry and Trade Minister Luis Fernando Mira Amaral met with Brazilian businessmen yesterday at the Sao Paulo State Federation of Industries (FIESP) building. He expressed his country's interest in creating joint ventures [preceding two words in English] with Brazilian businessmen in the following sectors: spare parts for vehicles, electro- electronics, metalworking, and computer science.

Amaral added that Portugal is also interested in agricultural enterprises, especially regarding possible exports of semiprocessed products that can be finished in Portugal, using local manpower.

Computer Technology Secretary Defends Measures

PY0706140289 Brasilia Radio Nacional da Amazonia Network in Portuguese 1030 GMT 7 Jun 89

[Text] Jose Ezil Veiga Rocha, special secretary for computer technology, has defended in Porto Alegre protectionist measures for the computer industry. He said that the government should support the computer industry to allow it to become competitive in the international market.

[Begin Rocha recording] To tell the truth, in some way or another every country protects its industries, especially its advanced technology industries.

Once the computer industries increase their capabilities, Brazil will adjust its methods to help those industries reach a more harmonious international coexistence, a more regular international [word indistinct] in relation with what happens in other fields. [end recording]

Rocha then condemned the U.S. economic retaliations against Brazil, since they violate international law and have been repudiated by the whole world.

Communications Minister Undergoes Medical Tests

PY0806000689 Brasilia Domestic Service in Portuguese 2200 GMT 7 Jun 89

[By Marli Moreira]

[Text] Communications Minister Antonio Carlos Magalhaes today underwent routine tests at the Sao Paulo Heart Institute [INCOR] of the Hospital de Clinics, the same hospital where he underwent bypass surgery. Upon leaving the institute this afternoon, Minister Antonio Carlos Magallanes commented on his health:

[Begin recording] According to the routine tests I have just undergone at the INCOR, I am doing very well, thank heaven. [end recording]

The medical bulletin released by the INCOR states:

His Excellency Communications Minister Antonio Carlos Magallaes underwent routine tests at the INCOR this morning. The results showed that his cardiac-circulatory condition is satisfactory. The tests made on his digestive system show no abnormalities.

* Historian on Current Political Instability

33420054a Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 May 89 p 7

[Article by Magda de Almeida]

[Text] Rio de Janeiro—An obsolete political elite that is discredited in the eyes of the public, political power that is expressed in terms of "clientelism," a crisis that exceeds the ability of the civilian leaders to cope—this is the situation that led Brazil to the coup of 1937, and the

picture portrayed by Brazilian political life today is the same. There is just one difference: In 1937, the military were anxious for power. Today, drained of energy by the experience of 1964, they are not (yet) contemplating retaking that same power by the force of arms. They prefer to work behind the scenes, where the risks are lower.

This was the opinion expressed to us by Aspasia Camargo, Rio de Janeiro State secretary of culture, who has just finished her manuscript entitled "O Golpe Silencioso [The Silent Coup]," the result of 7 years of research on the decade of the 1930's, especially the coup of 1937. Dispelling myths, clarifying points that have always been obscure, and poking holes in passionate interpretations, she has reconstituted an entire era. Her approach is nonlinear; she has stitched together facts gathered here and there with all the tricks and devices you might find in a detective story. This is a work that tries to show the process by which the deterioration of the civilian power led to the consolidation of the military power.

Despite the points of coincidence that make 1989 look like 1937, the author does not draw any comparisons with present times in her study (soon to be published in book form). She left that for her exclusive interview with O ESTADO. "As in 1937, today's crisis is also, basically, a crisis of state. Then, the civilian elite had no coherent plan for national salvation. The politicians acted as though the crisis had nothing to do with them. And the Constitution of 1937, like our Constitution today, was ambiguous in that although it was liberal, it was also interventionist."

Danger

Camargo does not believe there will be another coup, however. She points out that the wave of authoritarianism that was sweeping Europe at the time helped prepare the ground for the 1937 coup. Furthermore, the United States, England, France, and Germany were too involved with their individual battles for world domination. What was happening on this side of the globe didn't interest them. Vargas and the military took advantage of the situation to act more freely. But this doesn't mean that the historian is not worried about the country's current crisis, which she believes is very similar to that of the 1930's.

"It's just that now we have a crisis of state that is without precedent in our history, and an urban middle class that is desperate. Besides, there is a total absence of authority at every level. In situations like this, the public begins to seek out that kind of charismatic figure who has miraculous solutions. And that's where the danger lies," Camargo says.

What most impressed her during her research work—which includes interviews with personalities who were directly or indirectly involved in the process, in addition to information from her research in the files of historic individuals—was the ability demonstrated by Getulio Vargas to "piece together" agreements with all the different factions.

Social Pact

"Contrary to what occurred in 1964, for example, everything was ready when the 1937 coup came to pass. From the business community to the workers, intellectuals, and the press—everyone had already been assigned his place in the purposes of Vargas and the military," Camargo told us. "Goes Monteiro and Eurico Gaspar Dutra were at the forefront. The latter, in my view, was the genius behind the coup in the military area," Camargo said.

Vargas won over the businessmen by giving them a plan for industrializing the country and appointing them to the technical councils of the government. He gave the workers a body of legislation that rehabilitated them from the social point of view, even though it kept them under the control of the State. Camargo has proven that—contrary to conventional wisdom—the intellectuals supported the coup right from the start: From Alceu Amoroso Lima (in his integralist phase) to Graciliano Ramos, everyone joined up.

"The State, which went into collapse during the Old Republic, has managed to survive up to the present time in its most perverse form—'clientelism' or constituency politics, and 'physiologism,' the politics of self-interest," the historian observes. "Now, however, it is more primitive and less functional than the one that was in place in 1937. It has regressed and there are no true leaders on the political scene right now." For Camargo, "there are no parties" today—or at least the ones we have are no more than way stations for would-be leaders. "There are some parties that select a candidate internally who has no chance of winning on the outside. There's a serious discontinuity between party logic and the electorate's logic: a proof of serious social schizophrenia," concludes Camargo, who is also one of the founders of the Research and Documentation Center of the Getulio Vargas Foundation.

* Population in 2000 To Be Lower Than Projected

33420054b Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 May 89 p 29

[Report by Luiz Roberto Queiroz]

[Text] The population explosion in Brazil stopped before it got started. Tying their tubes, taking the pill, using condoms, and resorting to illegal abortions—which are estimated in the millions annually—Brazilian women have destroyed in one decade the many apocalyptic predictions that said Brazil would meet a fate similar to that of India and China.

In September 1986, Elsimar Coutinho, director of the World Health Organization's Center for Human Reproduction, warned, speaking in Salvador, that the Brazilian population could reach "1 billion inhabitants in the year 2050," if the government did not urgently adopt some kind of family planning program.

As in other areas, so in this field too, the government did nothing. However, instead of a human anthill impossible to feed, what the demographers now foresee for the midpoint of the next millennium is an extremely reasonable population of 260 million Brazilians. And by the fast-approaching year 2000, the country will have no more than 170 million inhabitants. "What the alarmists didn't perceive is that the economic situation would cause the population to curb the number of its children even in the absence of government policy," reports Jose Alberto Magno, a demographer from the Federal University of Minas Gerais.

The speed with which the Brazilian population is growing has slowed because the Brazilian women who bore an average of 5.8 children during the decade of the 1960's are now having only 3.1 children. In some parts of Brazil, such as Sao Paulo State, that index has already fallen to 2.5. "Fertility has fallen at a frightening rate," says Audinis Tenorio, spokesman for Benfam (The Society for Family Welfare), the most active Brazilian organization in the area of birth control. "In only 4 years, the Brazilian woman has cut back her average number of children by 16 percent," says Tenorio with amazement.

In Brazil as a whole, fertility fell by 25.9 percent between 1960 and 1980. Although demographers have recorded important regional differences—in the northeast the birth rate dropped by 7 percent, in Parana 37 percent, and in Rio 28 percent—declines were recorded in every region, in all the states, and quite possibly in every Brazilian city.

The result of this process is that, in absolute terms, the number of Brazilian children is already declining in the birth-to-4 age bracket. In 1980 the country had 17.3 million children under the age of 4, and today there are only 16.6 million of them. Another, and highly important factor, the demographers note, is that the reduction in the birth rate is seen among women in both the high-income and needy classes.

Disputing the myth, the figures show that the poor are just as anxious to avoid having children as the rich and the middle class are. "Seventy percent of the Brazilian women of childbearing age are using some form of birth control," says Sister Martha Bhering, a Vicentine nun. "But it's the poor who account for the absolute majority of sterilizations."

Malthus

Some theoretical findings and quite a few practical concerns emerge in the wake of those figures. On the theoretical plane, the old Malthusian theory is the big loser. In the last century, that theory had predicted the apocalypse, arguing that population would multiply geometrically while food production would increase only arithmetically.

Thomas Robert Malthus, an English minister and economist who first advanced this theory, inspired the neomalthusians of the 1950's, whose theoretical influence can still be felt today. "The problem with the neomalthusians is that they believe that the multiplication of the poor gives rise to the multiplication of poverty," Magno points out. "If you look at it that way, it is impossible to understand Brazil's situation, where the demographic growth has declined and food production has increased, but misery has not disappeared."

The practical problems are likewise serious. In the opinion of Sao Paulo's Neide Patarra, of the Seade Foundation, the problem is no longer population growth, but geographical distribution of the population. "Everything would lead one to believe that the slums will continue to grow in the major cities; it's just that there will be fewer children in them," Patarra predicts.

From the economic planning point of view, one can already foresee a drop in the number of young workers who would support the social security system. Thus the system will have trouble paying retirement pensions to the increasing mass of elderly. Some of the cheap and abundant manpower in the Brazilian market will tend to vanish, affecting key sectors of the economy such as construction and the production of manufactured goods.

Not all of this is bad news, however. "We are faced with an enormous opportunity to resolve Brazil's educational problems as early as the next generation," Magno reminds us. He mentions the need for fewer classrooms, day care centers, and even maternity hospitals—that is, the government will have funds available to invest in a future which, until now, could not be planned more than 24 hours in advance.

Chile

PCCh Calls FPMR Members To Return to Party

PY0806005189 Santiago EL MERCURIO in Spanish 30 May 89 p C-3

[Text] Mireya Baltra, a leader of the Communist Party of Chile [PCCh], stated last night that in its latest congress the PCCh agreed to call the militants who have joined the Manuel Rodriguez Patriotic Front [FPMR] to return to the PCCh. Although Baltra said that the "popular rebellion" policy should not be mistaken for a national uprising, she did not discard the use of the armed struggle, but within certain historical limitations.

Former Congresswoman Baltra made these remarks during an act organized by the PCCh union commission at the site of the Leather and Shoes Federation. Almost 200 people were present at the ceremony.

Speaking to the people about the resolutions of the 15th PCCh congress, which was held clandestinely over the past 4 months and ended on 14 May 1989, Baltra said that the "popular rebellion of the masses" policy was unanimously ratified during that congress. She described it as a strategic and tactical policy to "conquer power and to defend it."

She said that although "popular rebellion" cannot be taken as a "national uprising," such a possibility should not be discarded. She explained that although "the conquest of power in Chile through peaceful means has not been discarded," we do not discard the idea of the armed struggle, but it would depend on the historical conditions in which the confrontation would take place."

She added that the 15th Congress also decided to adopt a "military policy" as a permanent element in the PCCh work, which she divided into three main components: "a driving force, the self-defense of the masses, and work in favor of the Armed Forces." On this last point, she made a call to "democratize" the Armed Forces and to seek rapprochement with the military institutions."

Baltra added that the PCCh congress praised the FPMR action, although she referred to certain militaristic diversions in its actions, together with what she called "the painful factioning problem (the split by the armed organization)."

"The PCCh congress also made a call to the FPMR youth, who are militants from our party, to join the party's ranks," Baltra stated.

When the former deputy referred to aspects of national policy, she bitterly criticized the Christian Democratic Party [PDC] for declining to make an electoral pact with the PCCh, a position she termed "biased and wavering," and implicitly criticized her allies of the left "who submit themselves to the PDC's hegemony."

She said that the PCCh is for a single program, an electoral agreement based on a common list, and a single opposition candidate. Referring to the possible support to a PDC candidate, she said that "we communists are capable of swallowing that bitter pill if Aylwin can foster a unity of all sectors."

She also said that if her party is not included in an opposition electoral agreement, the PCCh will choose its own candidates throughout the country.

Sergio Jarpa To Be Presidential Candidate

PY0706151489 Santiago Domestic Service in Spanish 1030 GMT 7 Jun 89

[Excerpt] Sergio Onofre Jarpa has agreed to be a presidential candidate and has made this decision known in a letter to the Political Commission of the National Renewal Party [PRN]. In this letter, Jarpa also commented on political matters and gave his views on how to conduct the electoral campaign.

That information was made public by the PRN president at a news conference, at which he also explained that the PRN Political Commission will analyze Jarpa's letter, and, if it approves of the contents, the commission will propose Jarpa as presidential candidate to the the General Council that will meet sometime in June. [passage omitted]

Party Vice President Jorge Arturo Prat Resigns

PY0706182889 Santiago LA TERCERA DE LA HORA in Spanish 1 Jun 89 p 8

[Summary] The National Vanguard Party [NVP] vice president, Jorge Arturo Prat, has tendered his resignation over differences with the party directorate regarding the possibilities for forming alliances for the congressional and presidential elections.

FPMR Linkage to Arms Cache Case Reported

PY0706171889 Santiago EL MERCURIO in Spanish 27 May 89 p C-9

[Text] A person who was detained last week in connection with the arms cache found in northern Chile, and who is being described as the "third man" in the organization involved in unloading arms in the Carrizal Bajo coastal area, has been identified as Nelson Gonzalez Parra.

According to reliable sources, the indicted man, who is about 40 years old, reportedly was actively involved in the arms cache case and was captured only in the past few days in Santiago, nearly 3 years after the crime was committed.

The same sources pointed out that the defendant studied engineering at the University of the South in Valdivia.

According to the Army judge advocate, Gonzalez Parra "occupied a high-ranking position in the FPMR [Manuel Rodriguez Patriotic Front]."

According to the investigators, Gonzalez Parra, along with Buschmann and other FPMR members, was involved both in the Carrizal Bajo affair and in the preliminary stage of preparing the arms cache.

Gonzalez Parra is being interrogated now.

Presumed Terrorists Arrested in Vina del Mar

PY0706145089 Santiago EL MERCURIO in Spanish 27 May 89 p C-9

[By Ada Martinez]

[Text] Vina del Mar—Three presumed members of a terrorist cell of the Mapu Juvenil Lautaro organization, who carried out many attacks on shopowners and security guards in the Fifth Region, were detained by Vina del Mar Carabineros and placed at the disposal of the courts. The detainees have been identified as Ivan Escurra Campos, 24; Sissi Guzman Vargas, 26; and Monica Murgas Toledo, 24. The police seized large quantities of weapons, explosives, and subversive material, which they claim were in the possession of the three detainees.

People Dressed as Guerrillas Reported in Santiago

PY0706181889 Santiago EL MERCURIO in Spanish 27 May 89 p C-9

[Text] Yesterday, the Union of Independent Shantytown Dwellers of Chile [Union de Pobladores Independientes de Chile], UPICh, reported subversive propaganda activity in the Yungay shantytown in the La Granja district, as well as in other suburban districts in southern Santiago. UPICh President Raul Arevalo has said that "there are groups of people who are marching dressed as guerrillas and wielding rifles."

Arevalo, accompanied by several shantytown dwellers, said that these activities and the address of a house where the groups were reportedly meeting were reported to the police.

Arevalo said: "The shantytown dwellers themselves say that in that house people practice using weapons, and that extremists enter and leave the house without any control whatsoever."

Arevalo added: "These individuals, hiding under FPMR kerchiefs and wielding rifles, once appeared at a Summer Ball [Fiesta de Verano] when the beauty queen was about to be crowned. The 'militiamen' broke into the ball and terrorized everyone."

Arevalo said that, in his opinion, the uniformed police "do not manage to arrive on time—perhaps because they are short of funds—whenever those armed youths appear."

The UPICh president made these remarks upon releasing a communique, repudiating the actions of "well-known Marxist extremists who cowardly injured two shantytown dwellers and two carabineros and killed 5-year-old Macarena Torres on 24 May 1989."

Central Bank Devalues Peso, Raises Interest Rate

PY0706203989 Santiago Radio Chilena Network in Spanish 1700 GMT 7 Jun 89

[Text] The Central Bank announced at noon today that the interest rate has been increased and the peso has been devalued, seeking to slow down the high growth rate the economy has shown recently. This growth has caused inflation pressures. According to Central Bank president Manuel Concha, the dollar will be readjusted upwards by 1.6 percent over the 10 June-9 July period.

He explained that this correction will be made to ensure that exportable domestic products remain competitive, especially copper which has been commanding lower prices in the international market.

As for the interest rate, it will be increased from 5.8 percent a year in real terms to 6.3 percent on 90-day promisory notes. This is the highest interest rate since November 1985, the Central Bank president explained. He added that this measure is intended to curb the inflation that is increasing, going up to 2 percent in May.

Manuel Concha said that these are two preventive measures that are intended to avoid harder measures in the future, to moderate the pace of expenditures and economic activity in the short term, to slow down imports, and to relieve inflationary pressures.

Nearly 200 Cases of AIDS Confirmed

PY0706184689 Santiago LA TERCERA DE LA HORA in Spanish 30 May 89 p 4

[Summary] Dr Gerardo Sanchez, a researcher at the Public Health Institute of Chile, has reported the existence of 3,000 to 5,000 asymptomatic AIDS virus carriers and 199 actual cases of AIDS in the country.

Peru

4 Bomb Explosions Damage Government Offices

PY0806010489 Madrid EFE in Spanish 2300 GMT 7 Jun 89

[Text] Lima, 7 Jun (EFE)—While Prime Minister Luis Alberto Sanchez was explaining the government's future policy to Congress, four people were injured in four different bomb attacks in Lima.

One of the attacks was against the Lima Education Directorate, a 14-story building. This attack broke windows in the building and in a house across the street, in La Victoria district.

Another attack took place at almost the same time at the building of the National Commission for Food, Drugs, and Medicines, damaging the fence surrounding the building and causing some damage inside, in the district of Santa Beatriz.

Another attack took place against the Electro Lima [Lima Electric Power Enterprise] office in the district of Brena, where two computers and other equipment were damaged.

The fourth attack was against the main office of SEDAPAL, the Lima Water Service Company, in the district of Brena, breaking windows and causing damage to a nearby bank.

Uruguay

Labor Minister Brezo Paredes Installed

PY0606174689 Montevideo Radio Carve in Spanish 0930 GMT 6 Jun 89

[Report from Government House by Lino Torres]

[Excerpt] Uruguayan President Dr Julio Maria Sanguinetti, aided by Presidential Secretary Miguel Zerbino, has installed Luis Brezo Paredes as labor and social security minister. Brezo Paredes will decide over the next few days who will be the new labor under secretary.

The ceremony was held this morning at the Libertad Building. [passage omitted]

Official Says Exports Reach 'Record' Figure

PY0706022689 Madrid EFE in Spanish 2345 GMT 6 Jun 89

[Text] Montevideo, 6 Jun (EFE)—Isidoro Hodara, general director for foreign trade, today announced that Uruguayan exports reached the "record" figure of $1,448,000,000 between May 1988 and April 1989.

During the first quarter of 1989, Uruguayan exports increased by 12 percent; that is, they rose from $375 million in 1988 to $419 million this year.

The $419 million figure is broken down as follows: $208 million for exports of traditional products (beef, wool, leather, fabrics) and $211 million for exports of nontraditional items (soybean, rice and others).

Venezuela

Debt Negotiators Note Accomplishments

PA0706220489 Caracas Venezolana de Television Canal 8 in Spanish 1600 GMT 7 Jun 89

[Text] Some of the accomplishments of the Venezuelan debt negotiating mission during their most recent meeting with creditor banks, the IMF, the World Bank, and the IDB [Inter-American Development Bank] include guarantees for foreign debt payment, debt reduction assistance by financial organizations, and the delivery of fresh money.

The Venezuelan debt negotiating mission, comprised of Central Bank President Pedro Tinoco; Coordination and Planning Minister Miguel Rodriguez; and Official Debt Negotiator Edgar Legal, explained the results of their tour through the main financial centers of the world and their meetings with representatives of creditor banks in Japan, the United States, Canada, and Europe.

Venezuela expects delivery of $3.8 billion in July. The Venezuelan Central Bank president stated that the mission signed a memorandum of understanding for IMF assistance. The IMF agreed to implement a 3-year loan program of approximately $5 billion.

According to the IMF debt reduction assistance program, to the aforementioned loan we must add $700 million, which will be used as a guarantee in the interest rate reduction program.

[Begin Tinoco recording] After signing the new memorandum of understanding, we expressed the Venezuelan Government's determination to actively participate in debt reduction and debt servicing reduction programs.

Our memorandum of understanding will be sent to the IMF Board of Directors for its approval during its 23 June 1989 meeting. [end recording]

According to Coordination and Planning Minister Miguel Rodriguez, the IMF assistance program, which includes credit lines, will be basically used for private sector projects, especially those necessary for the country's growth and development over the next few years. These projects involve foreign exchange; taxes; and fiscal, monetary, and trade policies that depend on the orientation the government gives to various policies.

Rodriguez also talked about two structural adjustment and trade policy loans for $750 million, to be delivered in two installments.

[Begin Rodriguez recording] The first delivery of fresh funds will be made after approval by the World Bank Board of Directors at its 15 June meeting. The World Bank Board of Directors will discuss the memorandum of understanding at that meeting. The first delivery will take place 2 or 3 weeks after the World Bank approves the program, and the second delivery will take place in early 1990. [end recording]

The purpose of the Venezuelan debt negotiating mission was to begin foreign debt renegotiation based on a reduction of debt capital and servicing to cover the 1989-1992 balance of payments. The negotiating mission told creditor banks, the IMF, and the World Bank that Venezuela wants to participate in the debt reduction assistance program.

Ramon Escobar Appointed Attorney General
PA0806132889 Caracas Venezolana de Television Canal 8 in Spanish 0000 GMT 8 Jun 89

[Summary] The Venezuelan Government has appointed Ramon Escobar as the new Venezuelan attorney general, replacing Hector Zerpa.

Guyana

Paris Club Provides 'Exceptional' Debt Relief
FL0606161189 Bridgetown CANA in English 1750 GMT 5 Jun 89

[Text] Georgetown, Guyana, June 5, CANA—The Guyana Government said on Sunday that it had received exceptional debt relief from the Paris Club, but no provision was made for debt cancellation or interest rate reduction.

The official Guyana Public Communications Agency (GPCA) said the "breakthrough" was achieved on May 23 when the Paris Club met with Guyana Government representatives to reschedule the country's external debt of some U.S. 150 million dollars to the Paris Club countries. The GPCA said the Guyana delegation to Paris headed by Finance Minister Carl Greenidge, in a memorandum to the meeting, requested "exceptional debt relief along the lines agreed at the Toronto Summit (of the group of seven western industrialised countries in 1988)" and which had been granted only to "the Sub-Saharan countries which have been deemed to be the poorest and most heavily indebted."

It added: "The countries represented at the Paris Club agreed to recommend to their respective governments that repayment of Guyana's official, medium-, and long-term debt, (both principal and interest) in arrears as of December 31, 1988 will be made over a 20-year period including a grace period of 10 years.

"Repayment of official, short-term debt (both principal and interest) in arrears—that is debt of a maturity of one year or less—will be made over a 10-year period, including a grace period of five years."

The GPCA continued: "There was no provision for debt cancellation or interest rate reduction. Guyana is the first non-Sub-Saharan country to achieve the breakthrough of obtaining these terms."

It said the Guyana Government was required to give an undertaking [as received] to seek to secure terms at least as good as those agreed to at the Paris Club meeting from non-Paris Club creditor countries and private creditors in respect for the rest of its official debt of U.S. 1 billion dollars. The next step in the process of rescheduling the country's external debt, GPCA said, will be "bilateral negotiations within the guidelines agreed at the Paris Club meeting with individual governments and creditor institutions such as commercial banks."

The "participating countries" at the recent Paris Club meeting were Canada, Denmark, France, West Germany, Japan, the Netherlands, Norway, the United Kingdom, and the United States. Representatives of the Governments of Austria, Finland, Italy, and Sweden, as well as representatives of the International Monetary Fund, the World Bank, the Inter-American Development Bank, the Organisation for Economic Cooperation and Development, and the United Nations Conference on Trade and Development attended the meeting as observers.

Suriname

Plane Crashes Near Paramaribo; 179 On Board
FL0706114589 Havana Radio Rebelde Network in Spanish 1057 GMT 7 Jun 89

[Text] A plane accident has occurred early this morning near the airport of Paramaribo, Suriname. Apparently, a U.S.-built DC-8 belonging to the Surinamese airline SLN [name as heard] crashed near the airport; it had 179 people on board. According to the company's director in the Netherlands, there are victims among the passengers and crew.

The plane had taken off from Shipol Airport in Amsterdam—one of the largest airports in the world—with a 6-hour delay and was en route to Suriname. The delay was apparently due to technical difficulties which were supposedly solved at the airport in Amsterdam. However, the plane did not land in Paramaribo, and emergency units are awaiting daylight in order to get to the location where this tragedy has occurred.

120 Reportedly Killed
PA0706122989 Paris AFP in Spanish 1158 GMT 7 Jun 89

[Text] Paramaribo, 7 Jun (AFP)—The Surinamese News Agency (SNA) has reported that at least 120 people were killed early this morning when a Suriname Airways DC-8 crashed near Paramaribo after a flight from Amsterdam.

13 Survivors Reported
PA0706143489 Paris AFP in Spanish 1329 GMT 7 Jun 89

[Text] Paramaribo, 7 Jun (AFP)—Only 13 of 179 people who were aboard a DC-8 plane that crashed today near Paramaribo had been found alive as of 0915 local time (1315 GMT), 5 hours after the accident. This raises the death toll to 166, according to military and hospital sources in the Surinamese capital.

The same source said that rescue teams are continuing their search.

In a preliminary report, the Surinamese News Agency, SNA (official), had estimated the number of dead at 120.

According to intial reports, the accident occurred when the plane struck a tree while preparing to land in heavy fog.

3 Military Leaders Killed

FL0706181689 Paramaribo International Service in English 1730 GMT 7 Jun 89

[Text] Suriname was this morning plunged into sadness with the crashing of the DC-8 [word indistinct] aircraft belonging to the Suriname Airways killing almost all on board including the American pilots.

The flight which originated from Holland was about to make a landing at the Zanderij International Airport in Suriname in misty conditions when disaster struck. In attempting to make the landing at about 4 o'clock this morning in poor visibility, the aircraft crashed into the jungle some 3 km away from the airport. This was followed by an explosion and most of the bodies so far recovered from the wreckage have been burned.

Included among the dead are [Suriname's] Chief of Staff of the National Army Commander Lieuw Yen Tai, Airforce Commander Eddie Ju, and Captain Solomon.

All the crew members, except one stewardess, were killed in the crash. Also aboard the plane was a team of black soccer players from Holland. Reports say that only one of them has survived. The team was comprised of top players from the [word indistinct] football league in Holland.

So far, 15 survivors were injured in the crash. They were brought to the general hospital in Paramaribo. Two of them since died while some of the others are reportedly in a critical condition.

Between 175 and 200 persons, including the crew were on the flight and it is feared that most of them have been killed. Rescue workers are still hunting the wreckage for survivors and the dead.

This is the worst air disaster in Suriname and, indeed, the wider Caribbean. The last major air disaster in the Caribbean took place in 1976 when a Cubana airline exploded off the coast of Barbados killing all 73 on board.

In the meantime, a team from the International Civil Aviation Organization is on its way to Suriname to probe the accident.

Army Said 'Blackmailing' Government for Weapons

FL0606164089 Paramaribo International Service in English 1730 GMT 5 Jun 89

[Text] The military authority is very angry over the serious accusations made by the four trade union federations saying that the National Army is blackmailing government in order to get weapons. This was stated in a communique issued this morning by the military authorities.

The four trade union federations—the PWO [Progressive Workers' Organization], C-47 [Centrale 47], CLO [Central Organization for Civil Service Employees], and De Moederbond—have, over the weekend, in a joint statement expressed their concern about the recent developments in east Suriname. The trade union movement condemns the action by the terrorist gang of Brunswijk. It says, however, that it has the impression that the Army wants to demand weapons from the government to a certain strategy. [sentence as heard]

In relation to these serious accusations made by the trade union movement, the military authority is considering the consequences.

Trade Unions Respond To Military

FL0706192289 Paramaribo International Service in English 1730 GMT 7 Jun 89

[Text] The four trade union federations—the PWO [Progressive Workers' Organization], De Moederbond, C-47, and the CLO [Central Organization for Civil Service Employees]—have yesterday in a statement said they didn't intend to be harsh against the Army. The statement came in a reaction to angry remarks by the military authority on a communique issued by the four trade union federation in relation to the occupation of the Afobaka Dam last week by a group of terrorists led by (Parabas).

In the communique, the trade union federation stated, among others, that the strategy of the National Army was in demanding more weapons from the government. The trade union federations were further of the opinion that blackmailing of the government by the National Army should not be tolerated.

The four trade union federations have in a statement yesterday, however, said that these claims were not mentioned in the communique. [sentence as heard] According to them, parts of the communique have probably been wrongly interpreted by the National Army.

Amendments Approved on Economic Offenses Law

FL0606202889 Paramaribo International Service in English 1730 GMT 6 Jun 89

[Text] The National Assembly has yesterday approved the proposed amendments of the law on economic offenses. Offenders of the law will now be heavier fined up to the tune of 1 million guilders. Persons involved in economic crimes can also receive a maximum 6-year prison term. Offenders would also have their goods and property confiscated. In the amended law, customs officers will also have the authority to investigate economic offenses.

Justice and Police Minister Jules Ajodhia said yesterday during the approval of the law that the government must also make law proposals for the fight against corruption and smuggling. A special economic squad will be installed for the tracking down of black market traders and price inflaters. The possibility to install special judges for economic offenses will also be studied, said the minister.

This is a U S Government publication Its contents in no way represent the policies, views, or attitudes of the U S Government Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, economic, military, and sociological news, commentary, and other information, as well as scientific and technical data and reports All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals Items generally are processed from the first or best available source, it should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated Items from foreign language sources are translated, those from English-language sources are transcribed, with personal and place names rendered in accordance with FBIS transliteration style

Headlines, editorial reports, and material enclosed in brackets [ ] are supplied by FBIS/JPRS Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original Unfamiliar names rendered phonetically are enclosed in parentheses Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context Other unattributed parenthetical notes within the body of an item originate with the source Times within items are as given by the source Passages in boldface or italics are as published

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes China, East Europe, Soviet Union, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U S Government Printing Office, Washington, D C 20402

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630 Subscription rates will be provided by NTIS upon request Subscriptions are available outside the United States from NTIS or appointed foreign dealers New subscribers should expect a 30-day delay in receipt of the first issue

U S Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations For additional information or assistance, call FBIS, (202) 338-6735,or write to P O Box 2604, Washington, D C 20013 Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D C 20301 (Telephone (202) 373-3771, Autovon 243-3771)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries Reference copies may also be seen at many public and university libraries throughout the United States